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NEWS SUMMARY

GENERAL

32 die in road crash horror

Thirty-two people, all believed to be women, died and 14 were injured seriously when their coach plunged into a ravine in the Yorkshire Dales. The crash is thought to be Britain's worst ever road accident in terms of loss of life.

The coach, carrying passengers on a day trip from the Cleveland area, overturned and plunged into the 25-foot ravine in rugged countryside at Dibbles Bridge, Hebden, in Wharfdale. The accident happened on a notorious hill and no other vehicle was thought to be involved.

Many of the victims died on their way to hospital or shortly after arrival. Firemen had to use oxyacetylene equipment to reach the trapped passengers.

In June, 1925, the same spot claimed nine victims when a coach with a sightseeing party from York crashed through the parapet.

In August, 1971, eight pensioners died and over 20 were injured when their coach collided with a car on the Yorkshire Moors. The previous worst road accident in the U.K. was in 1951 when 24 Royal Marine cadets were killed by a bus in Gillingham, Kent.

Rees denies IRA deal

Ulster Secretary Merlyn Rees again denied that any deal had been arranged between the British Government and the Provisional IRA in the event of a breakdown of the Northern Ireland Convention discussions. But the Rev. William Arlow said he had no reason to believe that his information that troops would be withdrawn was incorrect. Back Page

Basque priests arrested

Four priests and alleged Communist leaders were detained in another spate of arrests in Spain's Basque provinces. Tension has been heightened by the killing at the week-end of a young man by the Guardia Civil and the fear among lawyers that a show trial is about to be staged of two men for whom the death penalty will be asked. Page 6

Karami again

Shooting and mortar fire broke out in Beirut again as President Franjieh considered whether to appoint Mr. Rashid Karami, who has been nominated by the Moslem community, as Lebanon's next Prime Minister. Karami has held the post eight times before. Page 7; Editorial Comment Page 16

Svoboda goes

The Czech Communist Party has removed the ailing 79-year-old President Svoboda from office and replaced him with Gustav Husak, who retains his post as party leader. Page 6

ITV deadlock

Prospects for an early resumption of ITV broadcasts suffered a setback after technicians' shop stewards voted to uphold the pay claim that has blacked out most screens for five days. Back Page

Briefly . . .

Sotheby's first Monte Carlo sale scooped £1.84m. with a Renaissance bronze horse fetching over £150,000, a record. Saleroom, Page 2

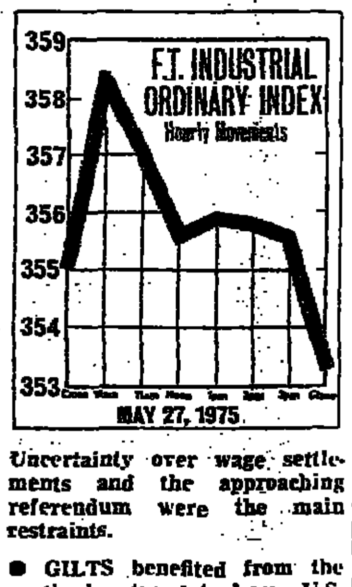
Powerboat driver was killed and his wife seriously injured when their 135-horsepower craft with four people aboard rammed part of the Esso oil refinery jetty at Milford Haven.

Scotland Yard said a man had been detained in connection with the shooting of 25-year-old bank official Linda Laffan as she entered the garden of her Blackheath, South London, home.

BUSINESS

Equities drift down after small early gains

● EQUITIES drifted lower after an early improvement. The FT 30-share index, gaining 3.3 by 10 a.m. on occasional investment demand, ended a net 1.7 down at 353.3.



Uncertainty over wage settlements and the approaching referendum were the main restraints.

● GILTS benefited from the continuing trend to lower U.S. interest rates with the emphasis on shorts, which rose up to 11/32. Mediums and longs were quiet.

● GOLD fell \$0.75 to \$172¼.

● STERLING closed 5 points up at \$2.3265, with weighted depreciation unchanged at 24.6 per cent. Dollar improved to 7.13 (7.17) per cent.

● WALL STREET closed down 5.79 at 826.11.

● ITALIAN Bank rate will be cut to 7 per cent. from 8 per cent. effective to-day. Back Page

Textile talks fail to find solution

● HONG KONG and the EEC failed to reach agreement on textile import quotas after a fortnight of talks. Hong Kong is confident "one more round" would produce a solution and proposes that talks are resumed in Hong Kong in the second half of June. Page 6

● MERGER of CWS and the retail Co-op societies came a stage nearer with the setting up of a committee to examine ways union could be achieved. Page 8

GLC mortgage cuts expected

● GLC HOME LOANS programme is to be virtually suspended. Leader Sir Reg Goodwin said this year's quota was likely to be only £55m., of which £44m. had already been committed. Back Page, Editorial comment Page 16

● VEHICLE REPAIR charges are expected to rise between 12½ and 15 per cent. after a new pay deal for garage workers. Page 11

COMPANIES

● FIRST NATIONAL CITY BANK of New York is subscribing for new shares to give it an increased stake of 49 per cent. in Grindlays Bank, which is likely to raise further cash by a rights issue. Back Page and Lex

● HOUSE OF FRASER first-quarter pre-tax profit expanded from £1.44m. to £1.77m. on sales rising from £53.71m. to £69.91m. Page 19 and Lex

● TEACHER (Distillers) taxable profits rose from £1.68m. to £1.81m. last year after heavier bank interest of £1.08m. and including £0.39m. profits on sales of surplus whisky stocks. Page 19 and Lex

Wilson warning on big investment loss if U.K. leaves EEC

BY JOHN BOURNE, LOBBY EDITOR

The Prime Minister last night warned the nation that European, and "big league" U.S. companies would drop plans for investing in Britain if the answer to the Common Market referendum was "No."

Speaking in Dewsbury, Mr. Wilson, again rebutting Mr. Wedgwood Benn's argument that remaining in the EEC would be a threat to employment, said: "I believe the opposite is the truth."

He added that he had been trying to persuade some American companies, especially in the automobile industry, to expand production in Britain and give up any idea of transferring it to Europe.

He argued that if the electorate voted for withdrawal from the Community, the promise of the American president of one of the biggest companies here "to lead a delegation of other U.S. manufacturers—big league people—to interest them in making Britain a new or expanded centre for their European operations" would obviously be dropped.

Although he did not name the President, the Prime Minister said he had met him on his recent visit to the U.S. Referring to his own argument, he added: "This is not a threat. It is, for him and others, plain commercial judgment.

"On the scale some of them want to invest, the British market is too small to provide an adequate return on that investment.

"The ventures they want to establish would not pay their way if exports from their new or expanded factories to Community countries were restricted by tariffs and other impediments."

Mr. Wilson said that since entry into the Community, at least 80 EEC companies had decided to start operations or expand them in Britain and that a further 25 were considering employment-creating projects here. "But there is a lot of evidence that a number of substantial companies, both in the EEC and the U.S., are postponing a decision until they are certain that Britain will stay in . . .

"A Yes vote on this count alone is a vote for more jobs, not fewer."

Referendum news, Pages 12 and 13

Society to-day, Page 17

Yesterday, the first day of the official referendum campaign, began with leading Conservative and Government pro-Marketeers setting out to brand Mr. Wedgwood Benn—whom they clearly regard as their most dangerous opponent—as an irresponsible, or even a lying, extremist whose anti-EEC arguments should be dismissed as absurd.

The most damaging criticism came from Mr. Roy Jenkins, Home Secretary and a former Chancellor. He said that he could no longer take the Industry Secretary seriously as an economic Minister and he described Mr. Wedgwood Benn's approach as "ludicrous."

This description of one of the most senior economic Ministers in the Government is bound to increase the belief of most Labour MPs and Ministers that after the referendum the Prime Minister will ask Mr. Wedgwood Benn to take another job in the Cabinet.

Asked at the daily pro-Market Press conference what he thought of Mr. Wedgwood Benn's predictions that "teachers, office workers, secretaries, local government officials and other public servants" would be thrown out of work if Britain remained in the Community, Mr. Jenkins said crisply: "It is the technique in which you just think of a number and double it and when it is challenged—as it has been by the Prime Minister and the Chancellor—you either pretend it has not been challenged or you think up some other claim."

Mr. Edward Heath, on BBC Radio, accused Mr. Wedgwood Benn of "lying" in his claim that membership had resulted in a loss of 500,000 jobs in Britain. Mr. Benn was relying on the fact that if you only stated a lie often and loud enough people would be convinced, said the former Tory leader.

"It is an old technique which was used, particularly in the 1930s, by the dictatorships. This, of course, lies at the back of Mr. Benn's mind when he carries on

Continued on Back Page

Imports of oil cut U.S. surplus

By Paul Lewis, U.S. Editor

WASHINGTON, May 27.

A SHARP RISE in oil imports cut back the U.S. trade surplus last month, and underlined the reasons for President Ford's decision to raise the oil import tax to \$2 a barrel, in the hope of reducing America's dependence on imported oil.

Announcing a reduced surplus for April of \$556.8m., on a seasonally-adjusted basis, Mr. Rogers Morton, the new Commerce Secretary, stressed that increased oil imports had cost the country an additional \$800m. and called for a new drive to conserve energy.

Stockpiling before Mr. Ford imposed his first dollar-a-barrel tax on foreign oil in February distorted the figures for the first three months of the year. But Mr. Morton said imports were back to the average level for the last half of 1974, showing there had been no real reduction in the country's dependence on foreign oil so far.

Worsening

In overall terms the April figures show that America's trading performance continues to deteriorate, very much as the Administration has expected. Seasonally-adjusted exports declined for the third successive month to their lowest level since September 1974 at \$8.6bn. Imports were the highest since January of this year at \$8bn.

The resulting trade surplus of \$556.8m. was well below the surplus of \$1.38bn. recorded in March and the \$917m. surplus in February. Nevertheless, for the period January to April of this year the aggregate trade surplus stands at \$2.6bn., compared with \$851m. in the same period of 1974.

As the economy picks up the Administration expects some further deterioration in the U.S. trade accounts, although the new tax may help to slow the rise in imported oil.

In the meantime the Morgan Guaranty Trust Company has expressed surprise in its latest financial newsletter that America's good trading performance in the opening months of the year has not done more for the dollar on currency markets. It suggests the reason may lie in the resumed decline of short-term interest rates this month, heavy foreign borrowing in New York, and strong West German and Japanese trading performances.

A fourth reason may be the widespread belief that the surpluses are unlikely to continue for long without drastic measures to cut dependence on foreign oil.

Kissinger plan to widen energy talks

BY ROBERT MAUTHNER

PARIS, May 27.

IN A SPEECH marking a substantial shift in U.S. international economic policy, Dr. Henry Kissinger, Secretary of State, made it clear to-day that the U.S. now accepted that the dialogue between oil producers and consumers should be broadened to include the whole relationship between developed and developing countries.

Although foreshadowed in Dr. Kissinger's Kansas City speech of May 13, this is the first time that the new U.S. line has been explained at an international meeting.

Addressing the first session of the International Energy Agency at Ministerial level since its creation last November, Dr. Kissinger said the U.S. would support the reconvening of the preparatory meeting of oil producers and consumers in Paris within a few months "in the same format" as before.

He proposed that "in order to carry its work forward," special commissions should be created to deal with crucial areas such as energy, raw materials and the problems of most seriously affected countries in all their aspects, including finance, investment, trade and production.

The commission would meet consecutively or simultaneously but without an arbitrary deadline for completing their task. They would not supplant the already substantial work being done elsewhere—in specialised U.N. bodies for instance—but would "*monitor*" such work and give it an added impetus.

Membership of the energy and commodity commissions, the U.S. felt, should not exceed 30 and be made up of different countries according to the subject dealt with.

Whether this suggestion will satisfy the oil producers and developing countries is not at all clear. The original preparatory producer/consumer conference in Paris broke down last month over two main issues.

Confusion

One was the fact that the producers and developing countries insisted on treating oil and other raw materials at the same conference and the other was their demand for some kind of indexation of oil prices on those of manufactured products.

The new U.S. proposals, while accepting the link between energy and other raw materials in principle, still provide for separate bodies to deal with these problems. A good deal of confusion also surrounds reports that the U.S. was adopting a more conciliatory attitude towards indexation, which has up to now been rejected.

According to one American official, the U.S. was now prepared to discuss a system under which energy prices—but not those of oil alone—would be linked to a selected group of industrial products imported by the oil producers. Dr. Kissinger himself has so far made no mention of such a change in policy at the IEA meeting.

Clearly, however, Dr. Kissinger and President Giscard d'Estaing of France, who had breakfast talks to-day, would not be so optimistic about the reconvening of the producer/consumer conference by the autumn unless there had been some shift on the part of the U.S. on this point as well.

In spite of the emphasis laid on relations between the industrial and developing nations, Dr. Kissinger was as adamant as ever on the need for consumer solidarity and, in particular, for rigorous conservation measures and the development of alternative energy sources.

The Secretary of State pointed out that it was only the world

A stalemate that cannot last much longer, Page 16
Mr. Ford raises the oil tax, Page 5

recession which had enabled the IEA countries to save more than the original collective target of 2m. barrels a day by the end of the year.

"Unless we convert our recession-induced conservation to policy-induced conservation, the producers will benefit from a stronger market and we will become increasingly vulnerable to price rises and the political manipulation of energy supply," he said. The target for the IEA should be to save 4m. barrels a day by the end of 1977, he added.

Dr. Kissinger also underlined the need for the agency to set a minimum *safeguard* price for oil imports, already agreed on in principle, by July 1.

Only if consumers developed massive new energy sources would the oil producers lose their ability to set prices at high artificial levels. A minimum safeguard price — well below the current world price level—could help ensure that these alternative sources would be developed.

Mr. James Callaghan, the U.K. Foreign Secretary and chairman of the meeting, broadly agreed with most of Dr. Kissinger's statement and said the U.K.'s oil consumption, which had been 4.3 per cent. down in 1974 on 1973, would be 10 per cent. less in 1975 than last year.

£ in New York

—	May 27	Previous
Spot	\$2.3251-3281	\$2.3266-3265
1 month	0.95-0.85 dis	0.98-0.88 dis
3 months	2.65-2.55 dis	2.75-2.65 dis
12 months	11.30-11.15 dis	11.30-11.62 dis

Chrysler talks to-day seen as encouraging sign

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

TENTATIVE MOVES to getting Chrysler's car assembly lines in the Midlands and Scotland moving again were made yesterday when senior shop stewards at the strike-bound Stoke engine works at Coventry contacted management to arrange a meeting for to-day.

But there was an unexpected hitch at Linwood, Scotland. Conveners yesterday rejected their share of the £15m. offer to Chrysler's 26,500 employees, primarily because they wanted £2.50 a week payments towards parity with Coventry to go to all 6,500 hourly paid.

About 600 labourers and other unskilled workers already get as much as at Coventry and so qualify only for £10.00—the same as is on offer to the Coventry men.

The stewards also want shorter working hours and improved sickness, lay-off, holiday and other benefits—a typical negotiating package.

Nearly 4,000 at Linwood are laid off by the strike and with admitted divisions among the shop stewards about tactics, strong opposition to Chrysler's offer seems unlikely. Talks with management due to start to-day could also reduce the tension further.

Finally, the Linwood attitude wil also depend substantially on developments at Stoke and the fact that the stewards there are meeting management to-day is an ncouraging sign.

The meeting was camouflaged as talks about "financial domestic points"—and almost certainly the two days' holiday pay the 4,000 strikers have forfeited.

The stewards have already said they are prepared to bring forward a strike meeting to June 2 to discuss the company's offer. The sweetener of a promise by management to restore the two days' holiday pay would be an obvious incentive to call off the strike and negotiate a new wages contract.

The strike, now in its third week, is over a demand for £8 on the table and immediate negotiations towards £15 when the new contract begins on July 1.

Chrysler's offer of a package worth about £10 a week to its employees in Coventry, and more to those in Luton and Linwood areas, appears to satisfy immediate demands and constitute the basis for a return.

But first reactions on Friday to the Chrysler terms—which disclosed an insistence on a move to centrally co-ordinated negotiations in place of 53 separate ones—were mixed.

Since then, moderate opinion seems to have been gaining ground, although it is generally conceded that the proposals for a new negotiating procedure will need to be studied in depth.

In addition to the 4,000 laid off at Linwood, a similar number have been made idle at the Avenger car plant, also in Coventry. While they have put in a parallel claim to Stoke, their support for an indefinite strike has been shaken by Chrysler's admission that it will need to borrow the money for the pay increases.

Nevertheless, whether Chrysler's assembly lines begin to move next week after the industrial holidays, depends on Stoke. The plant supplies engines and transmissions to all the other car plants and the commercial vehicle factory at Luton.

Meanwhile, on the other side of Coventry, the strike continues by all 4,500 production workers at the Massey-Ferguson tractor plant for a substantial wage increase.

Ford strife continues, Page 11

Holland to buy U.S. fighter

BY MICHAEL VAN OS

THE HAGUE, May 27.

THE DUTCH Government has officially decided to purchase 84 General Dynamics F-16 lightweight fighters—with options on another 18—to replace the aging Starfighters in its air force.

The one condition for the contract, which is worth around Fl.2bn. (£363m.), is that the air forces of Norway, Denmark and Belgium also select the F-16. Only the last named is still said to be wavering between the U.S. fighter and the Dassault-Breguet Mirage.

In a memorandum to-day to Parliament, which has to approve any such deal, Mr. Henk Vredeling, Defence Minister, said that the purchase of fewer aircraft initially (Holland has been considering buying 102 aircraft outright) would leave more room for a Dutch contribution to any real European lightweight fighter to be developed later.

As the options do not run out until June, 1978, there was also ample time to consider the effects of inflation on the purchase costs as well as dollar/guilder exchange rate developments.

The memorandum stated that the U.S. Government's offer was more attractive than those of the two European aircraft manufacturers — Dassault and Saab-Scania—in several respects. The General Dynamics aircraft was more attractive in terms of purchase price and technical capabilities and it also met the new Dutch Air Force requirements.

A main attraction is clearly that, under the U.S. offer, the purchase price will not be affected if any one of the three other nations decides not to buy the F-16.

This had been possible in view of the very substantial numbers of aircraft to be delivered to the U.S. Air Force on the home market, which produced a cost price advantage the European manufacturers cannot match.

Minister Vredeling said at a Press conference here this afternoon, after publication of the memorandum, that if Belgium decided not to select the U.S. fighter—something which he did not anticipate—there would be a completely new situation.

It is pointed out, however, that the chance of Holland going ahead with the F-16 is very great.

CHIEF PRICE CHANGES

(Prices in pence unless otherwise indicated)

RISES

Treasury 10pc 1979	£98¾	+ ½
Treasury 12pc 1983	£100⅞	+ ⅛
Anglo-Am. Ind.	780	+ 20
Archimedes Inv. Cap.	45	+ 7
Brown Shipley	178	+ 16
Cowie (T)	19	+ 4
Dawson & Barfos	41	+ 5
Fisons	377	+ 5
Glynwed	91	+ 4
Hunting Assoc.	58	+ 4
Inchcape	414	+ 9
Lamont Hldgs.	31	+ 4
Nat. Westminster Bk.	240	+ 5
Tarmac	142	+ 6
Tex. Abrasives	35	+ 7
Tomkinsons	57½	+ 8½
Unigate	51	+ 3
United Scientific	46	+ 7½
Wolseley-Hughes	90	+ 4
BP	480	+ 8
Cudgen	115	+ 20
Great Boulder	74	+ 25
Loraine	510	+ 25
Minorco	265	+ 13
Palabora	950	+ 20
West Rand Cons.	445	+ 30

FALLS

Alderman Secs.	12	— •
Hammerson "A"	430	— 20
Lucas Inds.	122	— 4
MEPC	157	— 4
Marshall's Univ.	130xr	— 14
Minet Holdings	147xc	— 6½
Northborough Inv.	7	— 4
Reed Intl.	264	— 12
Tate & Lyle	256	— 4
Teacher (Distillers)	169	— 16
Transparent Paper	51	— 4
Ultramar	196	— 4
De Beers Dfd.	301	— 11
Silvermines	70	— 8

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For latest Share Index 'phone 01-246 8026

LOMBARD

U.S. interference in our affairs

BY C. GORDON TETHER

WHAT, do you imagine, would the Canadians say if we in this country were calmy to inform them that it would be far more satisfactory from our point of view if they were to become the next State of the American Union? Or the New Zealanders if we were to indicate to them that, having carefully considered the matter, we were of the firm opinion that their interests and ours would be better served by their throwing in their lot with Australia—or, better still, getting the Australians to participate with them in the creation of a great Pacific federation having Japan as its largest (and inevitably its dominant) element?

Again, what reply do you suppose we would get from the Caribbean countries if we were to make it clear to them that we would be a lot happier to see them surrender their newly-acquired sovereignty to a great central American bloc modelled on the European Common Market.

I pose those questions because one only has to consider them for a moment or two to perceive the ludicrous nature of one of the main aspects of the referendum scene. I am referring to the situation wherein foreign countries of all descriptions are being allowed to intervene in the debate on our constitutional future in a big way and our own people being encouraged to believe that they should give great weight to such advocacy.

Blinkered

What must surely qualify as the last straw in this distasteful business is the intervention of the Head of State of the country that lays claim to being the "land of the free" and is traditionally supposed to attach so much importance to respecting other countries' right to run their own show that it never interferes in their internal domestic affairs.

We are told that President Ford emphasised that he did not wish to interfere in internal British politics when he was asked during his interview with five European journalists last week how vital he considered Britain's "participation in Europe" to be. But he made sure that this didn't stop him doing so by going on to say that he thought this was very important, his belief being that "Europe is strengthened by Britain's involvement."

What is more, this blatant piece of meddling while pretending not to do so was compounded by the subsequent "leaking" of exchanges he had had with the journalists before the interview was filmed and the upshot of which was that Washington would be "horror-stricken" if the British people were to vote "no" in the forthcoming referendum.

To their shame, our blinkered pro-Marketeers treat such pontification from without as though it was manna from Heaven. Indeed, they never miss an opportunity of using it to support the extravagant—to put it mildly—claim that it is not only they who want the British to surrender their hard-won liberties to Brussels but the whole of the outside world as well.

A simple one

Yet foreign countries are, needless to say, primarily concerned with playing their own game. And Washington is apt to behave in such devious yet determined fashion where international power politics are concerned that other countries have to be very much on their guard if they don't want to find themselves playing the American game rather than their own.

Mr. Douglas Evans rings round the significance of this for the current American enthusiasm for getting Britain permanently locked up in a European bloc in his newly published book "While Britain Slept." He demonstrates that, since the early 1960s, one of the main objectives of the "internationalists" who have dominated the formulation of U.S. post-war foreign policy has been "to edge Britain into the European Economic Community—this "as a means of building a permanent alliance community to resist the Soviet threat."

He makes the point that their concern was a simple one—that Western Europe should be strong and speak as one. To this end, he says, they closed their eyes "to the irony that, in the process of safeguarding America's national sovereignty, they were urging the Europeans to surrender theirs to a federal system of some sort."

The conclusion that emerges with crystal clarity from Mr. Evans' in-depth study of the political background to the European "Vision" is that it is high time that the British people awakened from their long slumber and regained control over their own destinies. There is no better way in which they can start than by making it abundantly clear that they do not intend to be pushed around any longer by other countries, great or small, most of all where the question of the preservation of their liberty is concerned.

SALEROOM BY ANTONY THORNCROFT

Sotheby's scoops £1.8m. with first Monte Carlo sale

SOTHEBY'S first sale at Monte Carlo, held in collaboration with the Société des Bains de Mer, has proved a tremendous success.

The three sessions held during Sunday and Monday totalled £1,844,176, which exceeded the highest pre-sale estimate by 30 per cent. Not surprisingly, Sotheby's intends to hold two sales a year at Monte Carlo, with the next in the autumn.

The star item was undoubtedly the Renaissance bronze horse, built around 1590 in Florance, which established a new record price for a Renaissance bronze of over £150,000, as against its estimate of £35,000-£50,000-plus. It was bought by an Iranian collector, Habib Sabet.

Perhaps the most outstanding achievement was that all the 309 lots, which came from the homes of the Baron de Redé and the Baron Guy de Rothschild, were sold.

The last session, which stretched into the early hours of yesterday morning, added £908,244 to the total, with an anonymous buyer paying £79,229 for a David Roentgen ormolu-mounted mahogany bureau. Roentgen is easily the most sought after furniture maker of the late 18th-century.

The bureau, which is believed to be the one on which the Louisiana Purchase was signed, was estimated to fetch between £35,000 and £65,000—plus, and it might have gone even higher if it was not for the fact that the French Government made it one of the four items in the sale that were designated part of the cultural heritage and thus frozen in France.

The same restriction applied to a suite of Louis XVI royal seat furniture, which was acquired by a private French collector for £66,381.

A third such item, a Louis XV kingwood prie-dieu and reading desk, was bought by the Louvre for £15,000. Other high prices were £57,816, from a French collector, for a pair of intricately decorated Ch'ien Lung vases, and £37,473 from an American for a Louis XIV ormolu chandelier.

The excitements in the South of France clouded an interesting day at the London salerooms, where both Sotheby's and Christie's held pottery sales mainly concentrated on work from the Wedgwood factory.

At Sotheby's, one of the 20-odd Portland Vases, made in 1786, from the original Graeco-Roman vase now in the British Museum, was up for sale.

It was bought by an anonymous buyer for £18,000.

The Portland vase dominated a sale which realised £57,971.

The sale at Christie's followed a similar pattern, with most of the lots selling at around the estimates and a total of £57,971.

RACING BY DOMINIC WIGAN

Trainer Stoute could win three

A YEAR AGO, the Lambourn trainer, Paul Cole, sent out *Mahblessed* to win Brighton's Pavilion Handicap (3.0) and I believe that this powerfully made son of that high-class sprinter, So Blessed, will do the trick for him again.

Mahblessed, who failed to make the winner's enclosure on *his nine other appearances* last season, has had two races so far this campaign. After making no show behind Charlie Bubbles in the Newbury Spring Cup six weeks ago, Cole's four-year-old ran with considerably more promise when fourth of 12 in a competitive Salisbury Handicap won by The Godson on May 8.

With the benefit of those two outings behind him, I expect Mahblessed, who is not harshly treated with 8-stone 13-lbs, to regain winning form—possibly at the main expense of *Great Echo* from Duncan Sasse's in-form stable.

Another race which could well fall to Cole is the Patcham Stakes (2.0) in which he relies on the only previous winner in the field, *Chilli Willi*. On her sole previous appearance this bay Jukebox filly got up in the final 50 yards to defeat Grecian Cloud by a neck in a minor event at Chepstow last month.

Chilli Willi seems sure to make a bold bid for the double, but I doubt her holding Piercing Note's half-sister, *Dreaming*, who was always close up when chasing home Le Chat at Lingfield recently.

Michael Stoute, whose smart young stayer, Girandole, was far from disgraced when just failing to hold Zab in yesterday's Henry II Stakes at Sandown, has his team in fine trim, and I shall be surprised if he does not achieve at least a double this afternoon.

Stoute's first success may well come in the Portslade Stakes (3.30), for which he sends out *Be Gay*, owned by Mr. Jim McShain.

Be Gay, a bay filly by Ballymoss, whom McShain raced out of Glad One, a daughter of Gladness, ran with notable promise to finish runner-up in a maiden race won by Maria Alexander at Warwick recently; and now that both Curtains and In the Balance have been scratched, her task has almost certainly been made much easier. Be Gay is a reasonably confident choice to beat Adagio's closest Lingfield victim, *Sea Rose*.

A second probable winner for Stoute is that game three-year-old *Northern Fair*, in Yarmouth's Sarah Martin Handicap (4.15). Northern Fair, a half-sister to those top-class performers, Double Jump and Royalty, repaid a little of her 34,000 guineas yearling purchase price when landing a maiden event at Redcar last summer, and she has run sufficiently well on her two appearances this season to suggest that she can oblige to-day.

Half an hour later, Northern Fair's stable mate, *Fly for Home*, will be many peoples' choice for the Paget Plate (4.45) on the strength of her recent good effort at Wolverhampton, where she chased home Attorney General in a 17-runner maiden event. That winner paid a compliment to the form when winning readily at Windsor on his subsequent appearance, and I shall be disappointed if Fly for Home does not come out on top against apparently weaker opposition here.

BRIGHTON

2.00—Dreaming
2.30—Coober
3.00—*Mahblessed**
3.30—Be Gay**
4.00—Belper
4.30—Willie Martin

CATTERICK

2.30—Meadlands
4.00—Rambling
5.00—Polyanna

YARMOUTH

2.15—Fire Plan
2.45—Screecher
3.15—Scientist
3.45—Great Idea
4.15—Northern Fair
4.45—*Fly for Home****

GARDENS TO-DAY BY ROBIN LANE FOX

Lessons from the Chelsea show

LOOKING BACK over old catalogues brought home from Chelsea Flower Show, when gentians cost 1s 7d (no doubt you can all go back further than that) I realise that I have only once acted on the suggestions which I marked on the back of them.

A note on the "new" Shirley Poppies occurs every year, but I have never yet grown them: a fat Delphinium called Daily Express has caught my eye four times without turning up in the garden; once, I did follow up an idea, those rich single pink Japanese paeonies, but they were never the same and died two years later.

This year I set out with three problems clearly in mind. It is easier to find an answer if one begins by knowing what one is looking for, nowhere more so than in the bewildering variety of a Chelsea show.

First, I wanted a bright new clematis. It could have a good sight on a west wall, shaded by anemones at the root and supported on wire netting at its head. But it had to be distinctive and it would preferably not be mauve. Clematis are shown superbly at Chelsea, and it was obvious that the new variety called Dr. Ruppel from Fisks of Westleton, Saxmundham, Suffolk, was suited to my purpose.

Irresistible

Its flowers are big, bright and abundant. They are described as rose madder with a deeper carmine bar and gold sepals, a conspicuous combination which looks like an improved Nelly Moser. At £2 a time, it is irresistible.

Secondly, I wanted to see a garden of fresh leaves and variegation. *This is a fashionable* interest, but I am running short of ideas for it, granted that Hostas are safe but too predictable. Merrist Wood Agricultural College, of Worplesdon, Guildford, Surrey, that fine centre for training young gardeners and foresters for a secure and pleasant career, had laid out a modern garden at Chelsea whose plants, at least, were a source of new ideas.

The oak-leaved Hydrangea called Quercifolia, whose autumn colouring is often very bright, the purple-leaved Ornamental Rhubarb, Rheum Palmatum, whose firm bold leaves are as notable as a bed of wallflowers until early summer, the golden variegated Lemon Balm, a very easy plant, and a group of gold-leaved Mock Orange Blossom, Philadelphus Coronarius Aureus, not always obliging but perhaps best in a rich soil in semi-shade where its yellow-green leaves are deliciously fresh, followed by scented white flowers in July to a height of only three feet—the leaves of these unusual plants could be combined in most gardens and would not need direct sunlight if they were to look their best for the spring and summer season.

Formal design

A formal design broken up by groups of plants with bold leaves is rightly fashionable: if you want to add some variegation, I suggest you try Merrist Wood's unusual idea of the variegated Box Elder tree, Acer Negundo Variegata, not a difficult plant, and a low-growing thing called Tovara Virginiana Variegata, a variegated plant for shade or woodland whose curious markings of pinkish brown impressed me more than any other foliage plant in the show. If you feel safer with Hostas, the white variegation of Thomas Hogg and the yellow markings of Albo Alta seem to me to be the best value, a view which their many appearances at Chelsea have confirmed.

If coloured leaves sound too tiresome to you, you will sympathise with by best problem. I like apples, but if I plant standard apple trees I wait so many years, six or more, before I enjoy a proper crop of fruit. Standard trees are very pretty, of course, and if you choose your varieties carefully and are fortunate, your orchard may be fruitful rather sooner. But they are expensive now (£3 or more for a tree) and they take up more space than I can give them.

Apples, moreover, are best grown in several different varieties which do not all ripen at once: at Chelsea the Agricultural Research Council was showing a chart of the best moment at which to pick fruit, not when it is ripe, but a week before it ripens fully. Fruit "breathes" and as it begins the last week of ripening, its breathing rate rises sharply.

The alert picker will remove it from the tree just as the chart turns sharply upwards. But before you keep yet another chart for shrewd timing, you must have apples to be picked, and you must have a choice of varieties to extend the season.

Cordon apples

Here, an exhibit by the RHS gardens at Wisley seemed very relevant. In a small area they had spaced a wide range of apple trees trained as cordons, leaving only two feet between each variety. Cordon apples are more familiar in text-books than in modern gardens. Trained to slant at 60 degrees, they can be packed as closely together as fruit canes; they are limited to one main stem, like the blade of an oar, and they will crop quite heavily when young. Twelve pounds of fruit on a three-year-old cordon is hardly exceptional.

When they age they become thick and difficult to handle, but for those who doubt if they will remain in the same garden for more than ten years they are invaluable. I have been puzzling over an old and ugly fruit cage whose wire deserves to be concealed. Encouraged by the RHS's example I can fit up to 50 cordon apples round the outer perimeter, training them against the wire netting and matching them, with the help of the RHS's own pamphlet, The Fruit Garden Displayed (60p) so that they will pollinate each other.

Such displays are the virtue of Chelsea's huge show. However small the space or the problem, someone in the huge Chelsea tent is likely to start a thought which suggests an answer.

Airliner fuel bills could be cut 40%

FUEL consumption of wide-body airliners could be cut drastically during the next 10 years by reducing their weight through engineering improvements rather than the development of new aircraft.

This could be done by using composite material in structures and modifying wing designs, according to Mr. A. Carl Kotchian, president of Lockheed Aircraft Corporation, in a statement released in London.

Fuel costs, he said, were now 40 per cent of direct operating costs of large transports and that ratio would probably continue. But engineering improvements could see consumption reduced by 20 per cent in the next decade—and by 40 per cent or more later.

"These may not be inexpensive, but in comparison to the cost of developing a brand new aircraft they are a real bargain," said Mr. Kotchian, who was speaking in Paris at an international aerospace conference sponsored by the Financial Times.

TV Radio

Because of an industrial dispute some ITV programmes may not appear.

† Indicates programme in black and white

BBC 1

12.25 p.m. Y Gwyddonwyr Ifainc. 12.55 News. 1.00 Pebble Mill. 1.45 Fingerbobs. 2.30 Golf: The Walker Cup, Great Britain v. U.S.A. †3.58 Regional News (except London). 4.00 Play School. 4.25 Boris the Bold. 4.35 Jackanory. 4.50 The Monkees. 5.15 If You Were Me. 5.40 Roobarb
5.45 News.
†6.00 Nationwide.
6.45 The Wednesday Film: "Challenge To Lassie," starring Donald Crisp and featuring Lassie.
8.00 The European Champions' Cup Final: Leeds United v. Bayern Munich.
9.00 News.
10.15 Wodehouse Playhouse.
10.45 Midweek.
†11.28 Regional News.

All Regions as BBC-1 except at the following times:—

Wales—4.50-5.10 p.m. Maldwynaldwyn. 5.10-5.15 Crystal Tips and Alistair. 6.00-6.45 Wales To-day. 6.45-7.00 Tom and Jerry. 7.00-7.30 Heddiw. 7.30-8.00 The Urdd Eisteddfod. †11.28 News of Wales.

Scotland—6.00-6.45 p.m. Reporting Scotland. 11.29-11.30 Scottish News Summary. 11.30-11.45 General Assembly Report. †11.45 Scottish News Summary.

Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 6.00-6.45 Scene Around Six. †11.28 Northern Ireland News. Headlines.

England—6.00-6.45 p.m. †Look North (from Leeds, Manchester, Newcastle); †Midlands To-day (from Birmingham); †Look East (from Norwich); Points West (from Bristol); †South To-day (from Southampton); †Spotlight South-West (from Plymouth).

BBC 2

†6.40 to 7.55 a.m. Open University.
10.35 Nai Zindagi Naya Jeevan.
11.00 Play School.
4.15 p.m. Golf: The Walker Cup.
†5.00 Open University.
7.05 Worlds Without Sun.
7.30 News Summary.
7.35 Rugby Special: Australia v. England.
8.00 Chronicle.
8.50 Wessex Tales.
9.40 *Inside Story.*
10.30 Golf: Walker Cup.
11.10 News Extra.
11.25 Closedown: Richard Bebb reads "The Hand That Signed The Paper," by Dylan Thoms.

LONDON

10.50 a.m. "The Crooked Hearts," starring Rosalind Russell, Douglas Fairbanks, Jr., and Maureen O'Sullivan. 12.00 Rainbow. 12.15 p.m. The Adventures of Rupert Bear. 12.30 Mr. and Mrs. 1.00 First Report Referendum Special. 1.50 Lunchtime To-day. 2.00 Good Afternoon. 2.30 A Far Better Place. 3.30 The Saint. 4.25 Baldmoney, Sneezewort, Dodder and Cloudberry. 4.50 You Must Be Joking! 5.20 The Brady Bunch.
5.50 News From ITN.
6.00 To-day.
6.35 Crossroads.
7.00 Don't Ask Me.
7.30 Coronation Street.
8.00 "Yours, Mine and Ours," starring Lucille Ball, Henry Fonda and Van Johnson.
10.00 News.
10.30 Tully.
12.00 My Song Is Freedom.

All ITV Regions as London except at the following times:—

ANGLIA

11.35 a.m. Peace and Quiet at a Price. 1.50 p.m. Anglia News. 2.00 Houseparty. 2.30 Randall and Hopkirk (deceased). 3.30 It's a long way from Umfolozi. 5.20 Lassie. 6.00 About Anglia. 8.00 "Return to Peyton Place," starring Jeff Chandler. 12.00 Your Music at Night.

ATV MIDLANDS

11.30 a.m. Mr. Piper. 1.50 p.m. Lunchtime Newsdesk. 3.30 Boney. 5.20 ATV To-day, including Junior Police Five. 6.00 ATV To-day. 8.00 Feature Film: "Return to Peyton Place," starring Carol Lynley and Jeff Chandler. 12.00 Morris Stuart.

BORDER

10.35 a.m. Yoga for Health. 10.55 Manfred. 11.05 Thrillseekers. 11.30 Peace and Quiet at a Price. 12.30 p.m. Bridget Loves Bernie. †1.50 p.m. Border News. 2.00 Houseparty. 3.30 The Doctors. 5.20 Circus. 6.00 Border News and Lookaround. †12.00 Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 1.30 Here Comes the Future. 5.20 Elephant Boy. 6.00 Channel News. 6.10 Wait Till Your Father Gets Home. 8.00 Feature Film: "The Yellow Rolls-Royce." 12.00 News and Weather in French followed by Epilogue.

GRAMPIAN

11.10 a.m. A Matter for Decision. 11.30 Documentary: "Peace and Quiet at a Price." 1.50 p.m. Grampian News Headlines. 2.00 Houseparty. 3.30 Department "S." 5.20 Darryl's Trail. 6.00 Grampian News. 6.15 The Wednesday File. 8.00 Feature Film: "Come Blow Your Horn," starring Frank Sinatra, Barbara Rush and Lee J. Cobb. 9.55 Police Newsroom. 12.00 Evening Prayers.

GRANADA

9.30 a.m. Woodbinda—Animal Doctor. 9.50 Sesame Street. 10.50 Holiday Matinee: "A Connecticut Yankee at the Court of King Arthur." 1.50 p.m. This Is Your Right. 5.15 Betty Boop. 5.20 Crossroads. 6.00 Granada Reports. 6.30 Firehouse. 12.00 Inner Space.

HTV

11.30 a.m. Peace and Quiet at a Price. 1.50 p.m. Report West Headlines. 1.55 Report Wales Headlines. 2.00 Houseparty. 2.30 Home is the Finest Place. 3.15 Cartoon Time. 3.30 Riptide. 5.20 Orbit 5. 5.25 Crossroads. 6.01 Report West. 6.15 Report Wales. 6.30 Cuckoo in the Nest. 8.00 "Houseboat" starring Cary Grant and Sophia Loren.

HTV Cymru/Wales—As HTV General Service except: 1.50-1.55 p.m. Penawdau Newyddion y Dydd. 4.25 Miri Mawr. 4.35-4.50 Miri Mwy. 6.01-6.15 Y Dydd. 6.30-7.00 Eisteddfod Genedlaethol Yr Urdd 1975. 10.30 The Referendum in Wales. 11.30 Police Surgeon.

HTV West—As HTV General Service except: 1.50-2.00 p.m. Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

11.30 Regional Documentary—Peace and Quiet at a Price. 1.50 p.m. Road Report. 1.55 Housecall. 3.30 Department S. 5.20 Professor Kitzel. 5.25 Crossroads. 6.00 Scotland Today. 6.30 Chicago Teddybears. 8.00 Feature Film: "Come Blow Your Horn," starring Frank Sinatra. 12.00 Late Call.

SOUTHERN

11.30 a.m. Peace and Quiet at a Price. 1.50 p.m. Southern News. 2.00 Houseparty. 3.30 The Persuaders. 5.20 Dodo. 5.25 Crossroads. 6.00 Day by Day. 12.00 Southern News Extra.

TYNE TEES

10.25 a.m. Starting Point. 10.30 Ed Allen Time. 10.50 Manfred. 11.00 The Catch that Nobody Wants. 11.15 Abimes. 11.30 Peace and Quiet at a Price. 1.50 p.m. North East News Headlines. 2.00 Women Only. 3.30 Randall and Hopkirk (Deceased). 5.20 The Woody Woodpecker Show. 6.00 Today at Six. †8.00 "Sons and Lovers," starring Trevor Howard and Mary Ure. 10.30 Boney. 11.25 Late News Extra. 11.35 A Time for Every Purpose.

ULSTER

11.20 a.m. The Enchanted House. 11.30 Documentary. 2.30 p.m. Documentary. 3.30 Born Free. 4.25 Ulster News Headlines. 5.20 Survival. 6.00 UTV Reports. †8.00 Wednesday Movie: "Madonna of the Seven Moons," starring Phyllis Calvert and Stewart Granger.

WESTWARD

10.15 a.m. Funky Phantom. 10.40 Operation Barbarossa. 11.30 Peace and Quiet at a Price. 12.25 p.m. Gus Honeybun's Birthdays. 1.50 Westward News Headlines. 2.30 Documentary (A Far Better Place). 5.20 Elephant Boy. 6.00 Westward Diary. 8.00 Feature Film: "The Yellow Rolls-Royce," starring Rex Harrison and Shirley Maclaine. 12.00 Westward Late News. 12.03 a.m. Faith for Life.

YORKSHIRE

10.30 a.m. Ed Allen Time. 10.50 Manfred. 11.00 The Catch that Nobody Wants. 11.15 Abimes. 11.30 Woobinda. 1.50 p.m. Calendar News. 3.50 Randall and Hopkirk (Deceased). 5.20 Out of Town. 6.00 Calendar. 8.00 "Houseboat," starring Cary Grant and Sophia Loren.

RADIO 1 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Johnnie Walker including this week's new Top 30 discs and 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) also on VHF. 5.00 Newsbeat. 5.15 Anne Nightingale reviews the latest sounds around. 7.00 As Radio 2, including at 8.02 Country Club and at 10.02 Jean Challis.

RADIO 2 1,500m and VHF

6.00 a.m. News Summary. 6.02 Tony Brandon (S) with The Early Show including 6.15 Pause for Thought. 7.02 Terry Wogan (S) including 8.27 Racing Bulletin and 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S) including Golf. Walker Cup: Great Britain v. USA, reports at 10.02 and 11.02. 10.30 Waggoners' Walk. 11.30 Jimmy Young (S) including 12.02 p.m. and 1.02 Walker Cup Golf. 1.45 A Referendum Campaign Broadcast on behalf of the National Referendum Campaign: Why you should vote "No." 1.50 Cricket Scoreboard. 1.55 Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1,500m only (also 202m Scotland). 2.45, 3.45 and 4.45 Sports Desk. 5.02 Waggoners' Walk. 5.17 Sam Costa (S) including at 5.45 Sports Desk. 6.45 Sports Desk with Walker Cup Golf. 7.02 Lucky 13! 7.30 Cricket Scoreboard. 7.32 Ring-A-Song (S). 8.02-10.00 (S) 247m and VHF only from 8.20 Country Club. 8.02-10.05 approx. 1,500m only (also 202m Scotland) European Cup Final: Leeds United v Bayern Munich. 10.02 (S) 247m and VHF only until 10.30 Jean Challis with Music Through Midnight and at 12.00 News. 12.31 a.m. News Summary.

RADIO 3 464m, Stereo & VHF

† Medium Wave only

7.00 a.m. News. 7.05 Your Midweek Choice: Dvorak, Krommer (S). 8.00 News. 8.05 Your Midweek Choice, part 2: Telemann, Mozart, Bruch, Minkus (S). 9.00 News. 9.05 This Week's Composer: Mozart (S). 9.45 Organ Recital from Switzerland (S). 10.25 Madrigals of the High Renaissance (S). 11.20 Beethoven: Quartet in A minor, Op 132 (S). 12.05 p.m. Orchestral Concert (S). 1.00 News. 1.05 Concert Hall (S). 2.00 New Records (S). 3.00 Hummel and Mendelssohn: chamber music (S). 3.55 In Repertory (S). 5.00 Choral Evensong. †5.45 Homeward Bound. †6.05 News. †6.10 Homeward Bound (continued). †6.30 Study On 3. 7.30 The Art of Fischer-Dieskau (S). 8.00 Live from The Royal Festival Hall, London, part 1: Mozart (S). 9.00 The Arts Worldwide. 9.20 Concert, part 2: Strauss, Arriaga (S). 9.55 Religious Broadcasting (an inquiry by Hugh Macpherson). 10.45 Morales: choral music (S). 11.25 News. 11.30 The Great Debate, part 3: Britain's Choice—the EEC and its Alternatives.

Radio 3 VHF only—6.00-7.00 a.m., 5.45-7.30 p.m. and 12.00-1.00 a.m. Open University.

RADIO 4 434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming To-day. 6.40 Prayer for the Day. 6.45 To-day, including 6.50 and 7.50 VHF Regional News. 6.55 Weather, programme news. 7.00 News and more of To-day, including 7.27 Sportsdesk. 7.35 To-day's Papers. 7.45-7.50 Thought for the Day. 7.55 Weather, programme news. 8.00 News and more of To-day, including 8.27 Sportsdesk. 8.35 To-day's Papers. 8.45 Short Story. 9.00 News. 9.05 Referendum Call. 10.00 News. 10.05 In Britain Now. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Round Britain Quiz. 11.30 Thirty-Minute Theatre (S). 12.00 News. 12.02 p.m. You and Yours. 12.27 Brain of Britain 1975. †12.55 Weather, programme news VHF (except London and SE) Regional News. 1.00 The World at One. 1.30 The Archers. 1.45 Woman's Hour, including 2.00-2.02 News. 2.45 Listen With Mother. 3.00 News. 3.05 Afternoon Theatre (S). 4.00 News. 4.05 The Harp: Marisa Robles gives her impressions of the instrument. 4.35 Story Time. 5.00 PM Reports. †5.50 Financial Report. VHF Regional News. 5.55 Weather, programme news. 6.00 News. 6.15 Twenty Questions. 6.45 The Archers. 7.00 News Desk. 7.30 The Great Musicals recalled by Ian Carmichael ("Showboat"). 8.15 Trial By Cycle: Lord Hailsham of St. Marylebone talks about his personal experiences. 8.30 Lifelines in Medicine. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight: News. 10.45 A Book at Bedtime. 11.00 The Financial World Tonight. 11.15 The Strongest Influence in My Life. 11.30 News.

BBC Radio London 206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.02 Downtown. 11.03 In Town. 12.03 p.m. Call In—1. 12.45 London News Desk. 1.03 Call In—2. 2.03 206 Showcase. 3.03 Young in Mind. 4.03 What Are They Up To Now? 4.32 Home Run including London News Desk at 5.00, 6.00. 7.00 In Town. 8.00 Quest. 8.30 Sounds Good. 10.03 Robbie Vincent's Late Night London. 12.00 As Radio 2 until closedown.

London Broadcasting 261m and 97.3 VHF

6.00 a.m. "A.M.": news, interviews, traffic and travel news, plus sport, with Douglas Cameron and Clive Roslin. 10.00 Open Line with George Gale. 12.00 Newswatch. 6.00 p.m. Newsbreak. 7.30 Music in Stereo. 9.00-1.05 a.m. "Love in London," presented by Adrian Love.

Capital Radio 194m and 95.8 VHF

6.30 a.m. Kenny Everett with 3½ hours of music and madness. 9.0 Michael Aspel with music, Features, Advice and Swapshop. 12.00 Cash on Delivery with Tommy Vance and Music. 3.0 p.m. Roger Scott with Music. 7.00 London To-day. 7.30 Open Line. 9.00 Nicky Horne's rock show. 11.00 Tony Myatt's late night on Capital. 2.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 2,788

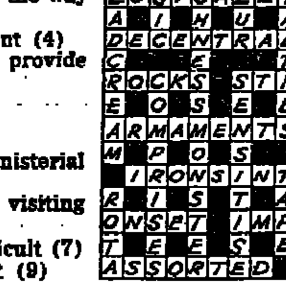
ACROSS

1 Pleased to dismount in action (9)
6 A moment for credit . . . (4)
9 . . . and in favour of credit as it returns to race but it's dilatoriness (15)
10 Opening some of liquor if I celebrate . . . (7)
11 . . . without enough warning (7)
12 Organ producing gas (5)
13 Evenly balanced point in parity (9)
16 I'm harassed but deeply affected (9)
18 It's round or somewhat square naturally (5)
19 Come together for a portrait (5-2)
22 Show intense interest thus in bearing (7)
23 Mother is after sprinkling joint—it should keep the way clear (8, 7)
24 Born and died in want (4)
25 Masons begin to provide accommodation (9)

DOWN

1 Tactful cipher for ministerial etiquette (10, 4)
2 Making reference to visiting (7, 2)
3 Dog I ran may be difficult (7)
4 Insipid and inelegant (9)
5 Impulsive force needed to get things done (5)
6 Labour to make a track round the state (7)
7 Fresh and bracing yet brittle (5)
8 Subject to country people getting start of the misrepresentation (14)
14 Not imagined even in sleep (9)
15 An active administrator (9)
17 Came out with Oriental and amalgamated (7)
18 A particular object found in newspaper (7)
20 Fat order goes to both ends of store (5)
21 Glass left in part of door (5)

SOLUTION TO PUZZLE No. 2,787



طبق الأصل

Morley College

King for a Day

by ELIZABETH FORBES

Un giorno di regno, Verdi's second opera, a disastrous failure on its initial appearance at La Scala, Milan, in 1840, when the first night was also the last, had to wait 121 years for its British première—at St. Pancras in 1961—and another 14 for its first performance in English—by Morley College Opera Group, last week. The reasons for the original debacle — Romani's libretto (*Il finto Stanislao*), taken down from the shelf where it had lain for over 20 years after a first, equally unsuccessful setting; the death of Verdi's first wife, which left him in no mood to write a comic opera; the size of the Scala auditorium, too large for such a piece, and the unsuitability of the cast—need none of them preclude an enjoyment of *King for a Day* when it is mounted with such conviction as at Morley College.

The influence of Donizetti on the score is very marked, but Verdi's natural energy and personal idiom keep breaking through the conventional opera buffa framework, even — or especially — in such numbers as the elaborate duets for two comic basses, in which Verdi beats Donizetti at his own game. The arias, though frequently attractive, are less individual. Best of all is the quintet, in which Belfiore, masquerading as King Stanislas of Poland (for the best and most unselfish of reasons) keeps the two basses occupied discussing strategy, while the young lovers Giulietta and Edoardo bill and coo undisturbed in a corner. Romani's libretto, though certainly not one of his finest efforts, at least provides plenty of situations like this to fire the composer's imagination.

Gerald Kitching's practical set lays the whole action in the courtyard of the Castle of Kelbar—one presumes that the weather in Brittany stays fine and does not "rain" on this particular day. The director, Andrew Downie, has coaxed his singers—including a small but spirited chorus—into giving admirably confident and relaxed performances. Michael Moores, who is also responsible for the straightforward translation, conducts the Morley College Symphony Orchestra with a firm, always helpful beat. The orchestra—this is the first time it has worked for the Opera Group—responds with rhythmic playing and neat ensemble.

There are two casts. The one that I heard has several accomplished singers, notably Robert Dickson, an American bass, who brings a ripe, fruity tone, a fine presence and excellent enunciation to his portrayal of Baron Kelbar—he would make a splendid Doctor Dulcamara. As the Chevalier Belfiore, baritone David Richards lacks some of the swagger needed to carry off his impersonation of the King, but he manages the high tessitura of his music very creditably, and gains in confidence as the opera progresses. Rosemary Parker makes a delightful Marchesa del Poggio, the merry widow in love with Belfiore; her voice is well controlled and her phrasing refined. Sally Burgess sings the Baron's daughter, Giulietta, the ingenue of the piece, with equally pleasant tone and a nice sense of mischief. There are two more performances on Wednesday and Thursday this week.

The Entertainment Guide is on Page 11

Nottingham Playhouse

The White Devil

by B. A. YOUNG

Webster's melodrama is redolent of evil, and Richard Eyre's handsome production makes the most of it. He had made two important cuts that I think are mistaken, but from the horrific point of view they cancel one another out. By omitting the scene in which Bracciano is given a magic view of the murders of his duchess (poisoned with a picture of her husband which she habitually kisses goodnight) and of Camillo, husband of the wicked Vittoria he lusts after (neck broken on a vaulting horse), we are deprived of two deaths, though there are plenty to come. Cornelia's lovely song "Call for the robin redbreast and the wren," which she sings over her son's murdered body, is one of the few gentle passages in the play, and Mr. Eyre has deprived her of this, keeping the final act at full stretch of anger as Marcello, Bracciano, Flamineo, Vittoria and Zanche meet their several ends.

The story, too complex to recall in detail here, concerns the Duke of Bracciano's love for Vittoria Corombona, a Venetian trollop married to the patrician Camillo, and how he obtained her, with the help of her ambitious and unscrupulous brother Flamineo. Apart from Bracciano's duchess and his teenage son Giovanni and Cornelia, the virtuous mother of Vittoria, Flamineo and Marcello, there is barely a character in the play who is not so intent on power and position that any wickedness will service in their pursuit, and of that sad trio only Giovanni survives.

Pamela Howard's imposing set puts all the action before a frowning wall of dark red stone pierced by three tall arched entries that can be opened to reveal scenes behind. The set seems to have affected the acoustics of the theatre; while the arches are closed some of the speech has a clouded quality that makes it hard to hear, especially in emotional passages like Lodovico's outburst at the beginning, where he is told of his banishment. Anthony Milner plays Lodovico well and audibly enough later on. When the arches are opened this phenomenon seemed less noticeable. The costumes belong to a period a good time later than the play (which dates from about 1609); they are inspired by Goya and are very fine.

Stephen Rea's mocking Flamineo, whom even a knife in the ribs cannot deprive of his arrogance, is a splendid creation, and a proper sibling for the shrill Vittoria of Patti Love—an awful demonstration of what Flamineo would have done with influence if he had ever had it. Tom Wilkinson could afford to allow Bracciano more aristocracy in his makeup; villain he may be, but a ducal villain. The most subtle performances come from the older members of the company — Ralph Nossek as the "politician" Francisco de Medici, Bracciano's brother-in-law, a prime exemplar of the ruthless exploitation of privilege, rivalled only by Paul Dawkins as his brother Cardinal Monticelso, later Pope (in whose glittering robes he appears only once, to utter sentences of excommunication). The programme says he was Pope Paul IV; surely if anyone, he was Sixtus V?

Patti Love

Corinne McCarthy

Donald Sinden and Donald Houston in 'An Enemy of the People,' which opened last night at Chichester

Television

Letter to an absent critic

by ANTHONY CURTIS

Dear Chris Dunkley,

I hope you've made it to Snowdonia. Meanwhile I've been assigned to your TV slot for the next three weeks. I must confess to some apprehension, and not just because of the strike.

When one reviews a book or a play one is part of a small band of people who have had the experience ahead of everyone else and that gives one a great advantage, but in your job you're writing belatedly about an experience you've shared with half the population. You've somehow to make your solitary professional post-mortem voice heard among a chorus of orn'ry folk. As I see it you're partly a memory-bank and partly a barrister whose brief is to plead for the public against the excesses of the companies and producers; there may be odd occasions too when you feel obliged to appear for the defendant.

You say jubilantly as you take off your wig and pack your bags: "What I am happily expecting to miss is three weeks of increasingly turgid programmes looking like a verbal test match played to impenetrably obscure rules." From what I've seen so far of the Referendum debates I don't think you've been quite fair to them, although your sporting image is apt. Just as the timing of your holiday has been absolutely brilliant, so from the television point of view the timing of the Referendum has been unfortunate, coinciding as it does with the climax of the sporting calendar. This is the moment in the year when Messrs. Day, Dimbleby, Kennedy, MacKenzie, Cosgrave, P. Johnson *et al.* should be fading into the wings, leaving Messrs. Carpenter, Coleman, West, Maskell, Alliss, B. Johnson *et al.* to occupy the screen.

As it is we poor viewers can hardly be blamed if we see the momentous Europe vote as one more exercise in mass catharsis, a grown-up version of "It's A Knockout" (now unhappily with us again), in which you have to climb up the butter mountain and swim across the wine lake. I've watched a lot of games and sport in the short while I've been sitting in your chair. I would have been watching anyway, just for pleasure. I've seen the Wembley orgy of England v. Scotland, the wind-ravaged Penfold PGA golf at Sandwich, athletics from Crystal Palace, England v. the Rest of the World at snooker (those magnificent men in their wonderful waistcoats), David Nixon demonstrating the effectiveness of a pawn defence at chess. . . And each time I've felt that from the purely technical point of view sports coverage comes close to perfection; watched on a good-sized colour screen you could hardly want anything better, but I'm begining to wonder whether the same thing may not be happening to sport in the 1970s that happened to poetry in the 1950s, the commentator has achieved a higher role than the performer, the epic has become a pretext for dissection. All those action re-plays and frozen moments! They are quotations and as such may possess a haunting beauty, but this evaporates with repetition and becomes meaningless when taken out of context. I am particularly thinking of football where I could also do with fewer of those regulation close-up shots of grim-faced managers and trainers on the side benches.

The sporting model for the Referendum interviews is not anything requiring such a high degree of disciplined team-work as football: it is the more individually erratic game of golf. The field has been broken down into a series of two-ball matches with some piquant pairings, among which so far we have seen Shirley Williams and Enoch Powell on one evening, Michael Foot and Edward Heath on another. In the double interview on "Panorama," with David Dimbleby as umpire, Mrs. Williams needed a great deal of backswing to deal with the difficult question of higher food prices coinciding with entry into the market. She held forth at some length on the theme that whereas the common price level in the community was much higher than ours two years ago now it was the same. "But." chipped Mr. Powell to the green, "we will always have to pay community prices even though world prices are lower," and so on right around the course to the 18th hole which is Sovereignty.

"The community involves some loss of sovereignty—in a limited way," conceded Mrs. Williams. "We shall be a mere province of a West European empire deciding the most crucial matters," retorted Mr. Powell. Inevitably this matter cropped up again between Mr. Foot and Mr. Heath, and this time it turned on analogies with Nato proposed by the former Prime Minister and rejected by the Secretary for Employment. A rejuvenated Mr. Heath was literally in the pink on this occasion making powerful contact with the ball in contrast to his opponent who appeared not unnaturally perhaps to have other things on his mind.

If we are after June 5, to remain in Europe, as I hope we will, and become a whole-hearted member of the Community, I wonder if we can afford to be quite so obsessed by our own glorious past. Is French television for ever presenting its viewers with episodes in the life of Louis XIV? Do the Dutch rush home of an evening to watch part 18 of The Revolt of the Netherlands? In my stint so far I've encountered on ITV, Queen Victoria, Edward VII and Gladstone, and on BBC, Gladstone again with Parnell and Kitty O'Shea in "Private Affairs" with the Prince Regent and Mrs. Fitzherbert in prospect for next time. I am not really complaining. It certainly makes agreeable viewing and is much less exacting than reading Sir Philip Magnus for oneself. You've rightly lavished praise on Annette Crosbie. It's just that I prefer period plays that upset my preconceived notions rather than confirm them. I'd always been led to believe that Bertie was thoroughly frustrated for most of his adult life by the humiliatingly subordinate role in affairs of state assigned to him by his mother. If I hadn't got that message already I should certainly have got it by now.

In his play about Parnell William Trevor did manage to carve through the familiar crust to some fresh morsels. He found an ironic link between the dependence of the O'Shea menage on the bounty of a rich aunt and Parnell's efforts to liberate the Irish peasants from their dependence on English landlords. But in spite of a lively performance by Geraldine McEwan as Kitty, the material refused to be shaped in quite the way Mr. Trevor wanted to shape it. He set out with an ashen-faced old woman on her death-bed in 1921 and then with the regularity of a lighthouse flashed back and forth to the events leading up to the divorce and disgrace of the Irish leader. Somehow all the unnecessary to-ing and fro-ing had the effect of muffing the historical climax.

By far the most convincing insight into Edwardian England, both its politics and its passion, came from BBC's Play of the Month, Galsworthy's *Strife*, directed by James Cellan Jones, about an unofficial strike in a tin-plate works on the border of England and Wales. It had the benefit of two plum performances by Clifford Evans and Colin Blakely as the chairman of the board and the men's leader. Both are utterly inflexible with an inflexibility that transcends the class divisions in which the play is so securely rooted. Both are out for each other's blood and both end by suffering irreparable loss. The boardroom scenes in which they confront each other face to face make rings round those in *The Brothers*. I do hope that the authors of the awful *Brassneck*, a crude lambasting of a family of property speculators, saw it. Surely there must be people who can lay bare our own social tensions with equivalent accuracy or even, my dear Chris, simply dramatise what it feels like to be away from it all for three weeks in Snowdonia.

Yours enviously,
Anthony Curtis.

Covent Garden

La forza del destino

by RONALD CRICHTON

Verdi's *La forza del destino* swings between two opposing poles of danger. The wealth of glorious vocal music, much of it familiar through the gramophone to people who have never seen the work in the opera house, puts it in danger of becoming merely a singer's opera. On the other hand the sprawling, intractable, improbable but not at all uninteresting dramatic material can turn it into a producer's opera, especially if the producer concerned happens to have epic ambitions.

Monday's revival at Covent Garden managed to hold the balance between the two extremes remarkably well. As far as singing and orchestral playing were concerned, it showed the company at its best from both the international and national points of view. It was starrily cast (more of that later); there were excellent performances of small roles by, among others, Robert Lloyd, Paul Hudson, Francis Egerton; the chorus work was distinguished; Edward Downes conducted in a way to make one regret we don't nowadays hear him more often in Verdi, the orchestral playing was worthy of the rest. Altogether a much more satisfying occasion than the recent, equally starry, ultimately disappointing *Il trovatore*.

Four of the principals were new to their roles at Covent Garden, not so surprising when you reflect that the opera only reached this house in 1931 and that it did not appear there again until 1962, the year of the premiere of the then controversial Sam Wanamaker production on which the present staging by Ande Anderson is based. At that time it cannot have seemed likely that this version would survive for long. Now it appears both probable and desirable that, while they can cast it adequately, it should remain to give the rich and varied pleasure of which this magnificent if untidy opera is capable.

Magnificent, untidy—and long. The final curtain fell late on Monday, and further notes must be brief. First the newcomers to their roles "in order of appearance." The Leonora was the Mexican soprano Gilda Cruz-Romo, who has sung a promising Aida here. She has the grand manner, the Verdian amplitude of phrase, and a degree of involvement which make one ready to overlook some clumsy acting, some rough gear-changes downwards, some bare patches in the middle register. More often than not she was true and moving. Peter Glossop's Don Carlo is a burly 19th century military hero to the life, with voice to match. Sir Geraint Evans made an enormous success as Fra Melitone (a character I confess to finding insufferable). He need take his already polished comedy playing no further. Gwynne Howell's noble-toned Father Superior made one think of Pinza's records, and one can't say fairer than that.

Carlo Bergonzi's Don Alvaro has been heard here before. The voice does not now ring out with quite the old clarion sinew, but his control is still masterly, the effect usually beautiful, and he has an unfailing elegance of phrase (a little exaggerated at times, in the Italian way) in which he exceeds his only rival to-day. Katherine Pring's Preziosilla is as bright and lively as quicksilver. She takes the stage with a sparkle. The brilliance of the top of her voice is not always equalled lower down, and something just prevents the characterisation from being wholly convincing—perhaps it is the new-pin neatness unlikely in a gipsy vivandière who has travelled with the army half-way across Europe.

New Victoria

Alan Price

by ANTONY THORNCROFT

Alan Price has had his ups and downs since quitting the Animals but judging by his week-end concert he is definitely still up at the moment. He has developed a weird but apparently successful act, which mixes traditional entertainment paraphernalia—large band plays fanfare while Price enters right in evening dress and white carnation—with an outraged social conscience about living conditions in his native north east.

To justify the yawning gap between the reality, underlined by his receipt at the end of a memento to celebrate £75,000 worth of revenue from his latest album, and the image of youthful deprivation, Alan Price has a mordant, throwaway sort of angst in his presentation, suggesting that current affluence hides deep scars.

As a sign that he is not really enjoying all this cosmopolitan success Alan Price takes his music very seriously, and although it was hard to decipher the introductions through the Geordie accent I don't think he made many jokes. Nor are there laughs in his recent songs, which hark back to the Jarrow of the '30s and the hardship of the mining life, and which sound even more depressing because the melodies are montonous and predictable.

And yet Alan Price remains an attractive performer and got a rousing reception. His strengths are his keyboard playing and his voice, nicely deepened on Newcastle Brown. When he is playing his old successes, like Screamin' Jay Hawkins' "I put a spell on you" and Randy Newman's "Simon Smith and the Amazing Dancing Bear" he is as entertaining as you can wish. It is only the deadening weight of nostalgia, and perhaps the trappings of night-club entertainmanship, which prevent Alan Price's undoubted musical skills from flourishing in wider and happier circles.

Festival Hall

Mendelssohn and Brahms

by DOMINIC GILL

In 1961, at the age of 86, Pierre Monteux was appointed the principal conductor of the London Symphony Orchestra. He had insisted, characteristically, on a 25-year contract with an option to renew—and many concert-goers will remember the three years until his death in 1964 as one of the great hey-days of the LSO.

Their concert on Sunday night was given in honour of the 100th anniversary of Monteux's birth, and conducted aptly enough by André Previn, Monteux's pupil and successor. Neither of the two works in the programme had a particularly Monteuxesque association: but it was a good concert, well made and delivered with fine precision and energy, and not unworthy of the memory of the maestro.

The soloist in Mendelssohn's G minor piano concerto was Murray Perahia — who threw off this composer's youthful *jeu d'esprit* (justly so called, even if it post-dates the first two string quartets, the octet, the first symphony and the *Midsummer Night's Dream* overture) with a happy mixture of exuberance and finesse. In the first movement, the melting moments (of almost Lisztian soulfulness) and all of the cunning twists and bright-eyed Lisztian turns were brilliantly incorporated in a real *con fuoco*; the andante's melodic line was beautifully floated; in the finale, Perahia's semiquavers were articulated as fine and soft and clear as spun glass. An exciting account—with an accompaniment by turns, as need be, unobtrusive or vigorous, and admirably flexible: the kind of quick and sensitive partnering which Previn at his best does supremely well.

I do not suppose that even a Toscanini could make Brahms's German Requiem sound actually exciting. But Previn's reading, strong and careful, sensibly paced, papered effectively over the flat patches with some good forward-moving tempi—over the more churchily stolid pages of oratorio manners — giving the more inspired music full prominence and weight. I liked the sinister march-tempo of "Denn alles Fleisch"—its deceptively simple timpani part impeccably delivered by Kurt-Hans Goedicke; the big blaze of "Der Gerechten Seelen"; the triumphant minor mode of "Siehe ich sage euch ein Geheimnis" brought to a glowing major conclusion. The LSO Choir were on enthusiastic form—though Previn allowed them perhaps one too many lurid scoops up to top A in the first part. Heather Harper, in easy, confident voice, and John Shirley-Quirk, strong and clear-toned, were the soloists.

Yorkshire literary awards

The winners of the first Yorkshire Arts Association literary awards were announced in Ilkley on Saturday, May 24. The winner of the £1,000 Established Writers' Prize was Philip Larkin, for *High Windows* (Faber). The two £500 prizes in the Young Writers' Section went to Pamela Haines for *Tea at Gunter's* (Heinemann) and Nick Tockek for *Book of Numbers* (Acquila) and *Evensong* (Sceptre Press).

Tickets for Proms' last night

The 7,120 tickets available for the "Last Night of the Proms" on Saturday, September 20, will again be allocated by ballot. Of the total tickets, 5,000 are for seats and 2,120 are for Promenade Areas. Two tickets will be assigned to each applicant, who must specify by number which kind of ticket he prefers.

Applications must be received by the Royal Albert Hall by June 7.

WORLD TRADE NEWS

Turkey hits $1bn. trade deficit

By Metin Munir

ANKARA, May 27.

TURKEY'S foreign trade deficit in the first four months of this year has reached an all-time record of over $1bn., up by nearly 190 per cent. compared with the same period last year.

Provisional official figures showed that last year's trend of rising imports and declining exports is continuing, and even accelerating.

Imports in the January-April period this year were $1.57bn., an increase of over £500m., or 50 per cent., over the same period in 1974.

Exports in the same period were $456m. This represents a decline of nearly $200m., or 30 per cent. over last year. Exports, which were nearly $112m. in January this year, picked up slightly in February, but continued to sag thereafter. Exports in April were just over $100m., compared with $150m. for the same month last year. The drop in exports is generally due to declining demand for Turkish goods, which have risen in price.

This performance has left Turkey with a four months deficit of $1.1bn.

The decline in the convertible foreign currency reserves, which also began last year, is continuing at an increasing rate, according to the Central Bank's statement. Turkey's convertible currency reserves last week were $825m. This compares with reserves totalling over $2bn. in the beginning of 1974.

U.S.-EEC spar on 'technical' trade barriers

BY DAVID EGLI

GENEVA, May 27.

THE SKIRMISHING is under way here between the U.S. and the European Economic Community over a standards code which would help to eliminate technical barriers to international trade.

The U.S. wants an agreement this year on such a code, and claims that this objective is well within reach if other countries participating in the multilateral trade negotiations "have a similar desire." It argues that, contrary to what happened in the Kennedy Round when all agreements were tied up in a final package, it should now be possible to reach agreements on "mini-packages" and even implement them during the course of the negotiations. The EEC has argued by contrast that an agreement limited to standards only and not linked to other non-tariff barrier accords is unlikely to be equitably balanced.

The question of standards, including packaging and labelling was studied earlier this month by a sub-committee set up by *the Trade Negotiation Committee,* which accepted as a basis for further discussion the draft code of conduct for preventing technical barriers to trade produced by the GATT Secretariat in 1973.

According to this code, A "standard" means any specification which sets out some or *all of the properties of a product* in terms of quality, purity, nutritional value, performance, dimensions or other characteristics. It may also concern testing, packaging, marking or labelling of products.

The application of such standards has grown considerably in the last few years, and while in most cases they can be demonstrated to facilitate trade, they can also result in trade distortions either accidentally or intentionally. In the worst instance, standards may be set in such a way that only domestic suppliers can meet them. And, even when this is not the intention, satisfying various standards and certification requirements often leads to increased market prices with their consequent distortion of efficient trade patterns.

Under present GATT rules it is difficult to deal effectively with such technical barriers to trade. Although the GATT requires that all imports receive the same treatment as domestic products with respect to "laws, regulations and requirements affecting their internal sale, offering for sale, purchase, transportation, distribution or use," it has been found difficult to give practical effect to this stipulation.

The EEC participated actively in the development of the draft code, and has declared its willingness to subscribe to the principle of greater discipline in the field of standards within the framework of the present negotiations and on the basis of *reciprocity.*

One of the main arguments put forward by the Community, however, is that the position of various trading partners in the area of standards cannot be equated. Standards adopted by the EEC Council of Ministers are directly applicable at all *levels throughout* the Community. The U.S. Administration, the EEC points out, does not have similar legislative powers with regard to the standards applied by individual States in the union. Standards legislation submitted to Congress in 1972 and 1973 has not become law and, as the EEC pointedly remarks, even if it had it would only have fixed minimum standards to be applied by all States, leaving them free to impose additional and potentially trade restrictive measures.

Caribbean plans joint shipping

SAN JOSE, May 27.

REPRESENTATIVES of 14 Caribbean nations began a three-day meeting here in *Costa Rica* yesterday to set up a joint merchant shipping line to serve more than 60 ports in their area.

The new line has been designed to reduce foreign currency payments to shippers from other countries, a delegate said. About £570m. a year is earned by foreign shippers—mostly West German and Dutch — for carrying freight around the Caribbean and to and from the rest of the world.

The initial investment in the new line of $30m. will be contributed equally by all the partners, and more money might be borrowed from international credit agencies.

The participating countries are Colombia, Costa Rica, Cuba, El Salvador, Guatemala, Guyana, Haiti, Jamaica Mexico, Nicaragua Panama, The Dominican Republic, Trinidad and Tobago and Venezuela.

Reuter.

Sharp drop in Singapore exports

By Our Own Correspondent

SINGAPORE, May 27.

SINGAPORE'S exports in the first quarter of 1975 fell sharply by 16.5 per cent. compared with the same quarter in 1974 as a result of the continuing worldwide recession which has dampened demand in the republic's major export markets, according to figures released by the Government's Department of Statistics.

Exports in the first quarter of this year totalled 2,890m. Singapore dollars against 3,464m. Singapore dollars in the first quarter of 1974.

Exports to Japan and the U.S.—the republic's top two trading partners—fell sharply, accounting for 39 per cent. and 26 per cent. respectively of the overall decline in Singapore's exports.

Exports to Western Europe, another important market, also declined significantly by 18 per cent. in the first quarter of 1974.

Singapore's total imports, on the other hand, registered a modest increase of 3.5 per cent. in the first quarter of this year over the comparable quarter last year. Imports in the quarter amounted to 4,807m. Singapore dollars compared to 4,640m. Singapore dollars in the same period of 1974.

The decline in exports coupled with the rise in imports widened Singapore's traditional trade deficit in the *first quarter of this year* to 1,915m. Singapore dollars.

Moscow and Vienna to sign 10 year pact

BY PAUL LENDVAI

VIENNA, May 27.

SOVIET Foreign Trade Minister Nicolay S. Patolichev arrived here to-day to sign a new 10-year Austro-Soviet trade agreement.

The Minister leads the Soviet side at the session of the Austro-Soviet mixed commission for economic and technical co-operation, which is held between May 28 and June 1. Hitherto, trade between the two countries has been carried out on the basis of five-year trade agreements. The new trade pact, to be signed on Friday, will run from January, 1976, to the end of 1985. The talks in Vienna coincide with an unusually rigorous expansion of bilateral trade.

The Austrian trade delegate in Moscow has stressed that the Soviet Union this year might once again become Austria's single most important trading partner in the East. Last year, Austro-Soviet trade jumped by 80 per cent. to Sch.7.9bn. (about £208m.). Austrian exports doubled to Sch.3.5bn., while Soviet sales to Austria also rose by 67 per cent. to Sch.4.4bn.

Due to previous setbacks, however, the Soviet Union was preceded last year both by Hungary and Poland as Austria's most important markets in the Communist world. While in the overall trade with Comecon, Austria in 1974 had a surplus of Sch.3.7bn. as against Sch.600m. in 1973, there was a deficit of Sch.964m. in exchanges with the Soviet Union. Nevertheless, the share of the Soviet Union in Austria's trade total rose from 1.7 per cent. to 2.6 per cent. last year.

RECORD NORWAY PAYMENTS GAP

OSLO, May 27

RISING oil investments and low freight rates have caused a record deficit in Norway's balance of payments, Trade Ministry officials said to-day.

According to official statistics, the deficit amounted to more than Kr.3bn. for the first quarter of this year.

Rising oil investments in the North Sea were the main cause of the deficit.

Reuter.

GEC breaks into key U.S. markets

By Christopher Lorenz

A STRONG export drive has brought GEC a breakthrough into the United States transformer market, which has been effectively closed to U.K. manufacturers for several years because of low, fixed prices and unsettled anti-dumping allegations.

The U.S. transformer market has broken away from fixed prices in recent months, and selling prices have risen sharply, turning it into one of the brightest short-term export prospects for a U.K. industry which is suffering from overcapacity, but is loath to take unprofitable business.

GEC's new order, from the power authority of the State of New York, is for equipment to be installed as part of the St. Lawrence Power Project, providing the 765 kV to 230 kV conversion for a new link between New York State and Canada.

In view of the previously closed market, the contract is much more significant than its value suggests. Taken together with a Toronto Transit Commission order to GEC Rectifiers, it is worth over $US9m.

GEC, and especially Parsons-Peebles, part of the Reyrolle Parsons group, have been quick to exploit the new export openings offered by the falling pound and buoyant international demand for transformers. But the U.S. market will become increasingly tough as British inflation soars and overseas competitors move in, eventually cutting prices in order to secure business.

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هكذا امن الأصل

Unequal shares in U.S. gold trading

CHICAGO, May 27.

GOLD FUTURES trading in the U.S. has not turned out quite as expected for some of the nation's commodity exchanges.

The trading started on December 31, accompanied by much fanfare over the fact that U.S. citizens were permitted to own gold again. By April 30, nearly 272,800 contracts had changed hands on the five U.S. exchanges that offer gold futures trading.

Impressive though this is, the five exchanges have not shared equally in the growth. In fact, two exchanges—the International Monetary Market of the Chicago Mercantile Exchange and Commodity Exchange Inc. of New York, or Comex—have grabbed a clear lead in trading volume. Some futures economists say that the volume discrepancies may cause gold futures trading on the lagging exchanges to disappear as speculators gravitate to the more active markets.

By the end of April, gold trading on the IMM totalled 113,400 contracts, or about 42 per cent. of the total. Comex had traded 98,500 contracts, 36 per cent. of the total. Then same the Chicago Board of Trade, with 33,360 contracts, the New York Mercantile Exchange, with 23,600 and the Mid-America Commodity Exchange in Chicago, with 4,000.

Comex had a natural advantage in garnering gold futures business, observers say, because it was already well established in copper and silver trading and thus had a

Volume on all of the exchanges could have been bigger if inflationary pressures had not eased, lessening the demand for gold as an investment. The lower gold prices that resulted damped speculative activity in the futures. Some analysts believe even worse days are ahead for the lagging exchanges. "It's very rare for there to be more than one major futures market in a commodity," Professor Hendrik S. Houthakker, of Harvard University, says.

Lockheed shares climb on bright profit outlook

BY GUY DE JONQUIERES

NEW YORK, May 27.

LOCKHEED AIRCRAFT, once regarded as one of the most precarious of big American companies, is rapidly regaining favour on Wall Street as a result of a forecast that it will sharply increase its profits over the next two years.

The company's share price, which was languishing at a mere $3\frac{3}{4}$ earlier this year, has more than tripled in less than six months. This morning, a surge to buy orders delayed the start of trading on the New York Stock Exchange, and when the share opened it was quoted at $12\frac{1}{4}$, up $1\frac{1}{4}$.

This sudden enthusiasm for Lockheed stems primarily from the company's disclosure late last week that it expects to make pre-tax earnings of at least $217m. over the next two years. Even if taxed at the maximum rate of 50 per cent., these profits would greatly exceed the combined net of $41.4m. earned in 1973 and 1974, when the company was taxed at rates of 30 and 35 per cent. respectively.

It seem unlikely, however, that Lockheed's effective tax rate will be anywhere near the maximum level, since it has $492m. in tax credit available for use over the next five years. A further $217m. in tax credits, stemming from recent write-offs of research and development costs on the Rolls-Royce powered L-1011 TriStar programme, is applicable against prior years' earnings.

Lockheed was required by the Securities and Exchange Commission to state that it was assured of earnings at least $217m. over the next two years before it could claim the retroactive tax credit. It said that these earnings are assured "beyond any reasonable doubt."

Underpinning Lockheed's brighter outlook is a new two-year credit agreement which it negotiated recently with its main lending banks. The agreement provides for the conversion of up to $75m. of its outstanding bank debt of $595m. into preferred shares.

In addition, the interest rate on that part of Lockheed's bank debt not covered by the U.S. Government's emergency loan guarantee — about $400m. at present—will be lowered to four per cent. for the life of the agreement.

In support of its profits forecast, Lockheed cited "significant" anticipated sales of non-L-1011 products (mainly Government contract programmes) and the reduction of interest costs on its bank debt.

OAS job sparks row

BY DAVID WHITE

RIO DE JANEIRO, May 26.

BRAZIL has found a new bone to pick with Argentina in the meeting of the River Plate basin countries which began to-day in the Bolivian city of Cochabamba.

The issue is the recent election of Sr. Alejandro Orfila, Argentina's Ambassador in Washington, as Secretary-General of the Organisation of American States (OAS), which the Brazilians claim breaks a long-standing agreement whereby none of the four major countries in the organisation—Argentina, Brazil, Mexico and the U.S.—would compete for the post.

In the recent OAS meeting in Washington, Brazil initially backed the candidature of the Paraguayan Foreign Minister, Sr. Raul Sapena Pastor, later switching its choice to the Dominican Republic's Sr. Victor Gomez Berges, who lost in the final vote.

Brazil's discomfiture at having an Argentinian in the post is understandable in the light of the two countries' continuing dispute about the developmet of frontier regions, and particularly Brazil's plans to harness the waters of the River Parana, which flows down through Argentina. Excavation to divert the Parana river for the Brazilian-Paraguayan hydroelectric dam at Itaipu is scheduled to begin in July or August. The Cochabamba meeting may thus be the Argentinians' last chance to press for consultations on the project.

Puerto Rico woos bank in Caribbean

By David Renwick

PORT OF SPAIN, May 27.

PUERTO RICO is apparently eager to join the five-year-old Caribbean Development Bank despite reservations among the bank's directors about the advisability of such a move

The directors, who are senior Caribbean Community (Caricom) civil servants, have reportedly recommended to the governors (the Minister of Finance) that Puerto Rico's application be shelved for the time being.

They fear that the admission of more states which are not members of Caricom will dilute the bank's resources and divert it from its original purpose of helping to underpin the regional integration movement among the English-speaking states.

Our Correspondent in Bridgetown adds: An optimistic picture of the present position of the development bank has been given to the fifth annual meeting of the Board of Governors here by the President, Mr. William Demas. He said the bank is in a "healthy financial position," has a portfolio of well-prepared, well-evaluated and well-designed projects and is about to undertake borrowing for its ordinary operations.

Inflation-hit Chile will change its currency

SANTIAGO, May 27.

CHILE'S military Government, beset by world record inflation and 10 devaluations this year of the fragile escudo, to-day announced a new currency.

As of September the country will convert to the "peso," said Sr. Pablo Barahona, President of Chile's Central Bank. Exactly 15 years ago, the country changed from the peso to the escudo after constant devaluations sank the Chilean money to a level of 1,000 pesos to the U.S. dollar.

Now Chile's chronic inflation, which reached 375 per cent. in 1974, has eroded the escudo as well.

The ruling military junta which seized power from the late Marxist President Salvador Allende in September, 1973, to face a crumbling economy, has devalued the escudo 38 times, 10 times just this year. The latest devaluation came yesterday, when the escudo rate for imports and exports went from 4,100 escudos to 4,300 escudos per dollar. The rate used in banking for changing money went from 4,500 to 4,800 escudos per dollar.

The numerous zeros after the escudo have caused accounting problems in banks

Barahona said the new Peso would be worth 1,000 escudos a piece.

AP-DJ.

MEXICO PLANS TO BORROW $2.7bn.

MEXICO CITY, May 27.

THE MEXICAN Government is planning to borrow as much as $2.7bn. on international markets this year, banking sources said here to-day. The sources said that Mexico's new oil wealth, combined with a lowering of international interest rates, meant that foreign bankers were "queueing up" to lend money.

Reuter

U.S. ENERGY

Mr. Ford raises the oil tax

BY PAUL LEWIS, U.S. EDITOR

PRESIDENT FORD has thrown down the gauntlet over energy—both to the U.S. Congress and before the OPEC cartel. After six indecisive months, Congress has not even come up with a draft proposal for cutting America's growing dependence on OPEC oil. So now President Ford—buoyed up by the success of the Mayaguez rescue and feeling a change in his political fortunes—has decided to go ahead with his own energy saving scheme instead.

The first dollar of his $3-a-barrel import tax on foreign oil was imposed last February. The second and third the President then postponed, out of deference to Congressional fears that the tax would only spur inflation and deepen the recession. But now that the Legislature cannot think of anything better, the President is putting on the second dollar and calling again for an end to the price controls that have hampered domestic production.

There are three main lessons to be drawn from this showdown over energy. First, it shows how President Ford is gaining political self-confidence and authority at home, while the 94th Congress is finding its ambitions cut down to size. Second, there is now a good chance that the U.S. will get back into line with its international commitments and start saving energy, just as it has told everyone else to do. Finally, the President's action is a reminder that the energy crisis, with all its geo-political implications, remains unabated.

In domestic terms, the President has given Congress just enough rope to hang itself. Most members recognise the need for conservation and none could object when the President offered them the chance to write the necessary legislation. But in the end they could not bring themselves to inconvenience any voter and, with a mixture of relief and regret, they have seen the initiative slip back to the White House. It is a singular admission of defeat by a body which only weeks ago believed it could run the country on its own.

For President Ford it is a minor triumph. Not only have the Democrats shown themselves inept and unable to take tough action when it is needed, but his political advisers believe the President will gain in stature by showing leadership on energy, even if it does inconvenience

> "President Ford is gaining political self-confidence and authority at home, while the 94th Congress is finding its ambitions cut down to size."

some people. The rescue of the Mayaguez was highly popular in the country, even if expensive in army lives. Now, on the eve of the allied summit, President Ford believes he has another opportunity to demonstrate his leadership, though in a different kind of crisis.

The full $3 a barrel tax and an end to price controls are intended to cut American imports by about 1m. barrels a day by the end of this year. Currently they are running at about 6.3m. barrels daily, though this figure has been distorted by the stockpiling which preceded the first dollar tax in February. By the end of this year, they are likely on present estimations to have reached 6.7m. to 7m. barrels, depending on the strength of the economic recovery, as demand turns up and domestic output continues its decline.

Yet the pledge which President Ford gave the rest of the industrial countries when he persuaded them to make common cause against OPEC in the International Energy Agency, was that it would cut imports by 1m. barrels a day below what they would otherwise have been. This suggests a target figure of around 5.7m. barrels. As matters stand now the U.S. is just about the only member of the IEA which has not yet got any real conservation programme in force.

At the beginning of this month, the International Energy Agency did some rough projections of likely consumption and imports this year and compared them with the record in 1973—the last year before the embargo. Virtually all (except for the U.S.) are hoping to keep demand virtually flat. In this respect therefore, they have gone along with the U.S. plans for a joint approach to the energy crisis, just as they have also agreed to develop new resources, recycle petrodollars, and accept in principle the idea of minimum price to safeguard their new discoveries. By themselves, however, these moves have not been sufficient and will probably not be sufficient to prevent OPEC members trying at least to maintain their real earnings from oil, with another increase in the price this September. In the U.S. administration, an increase of 10 to 15 per cent. is now widely expected, coupled with a decision to express the price in special drawing rights and index it to the cost of industrial exports.

There is very considerable concern at this prospect. It is to early to say what, if anything, the consumers will try to do about it. But in Washington there is no doubt that another increase would be seen as most provocative, when the industrial world's economic recovery is proving slower than expected and both, Europe and America have made clear that they are now ready to talk seriously about the aid and earnings problems of the developing world. Nor should it be overlooked that President Ford has finally learned that decisive action is popular.

In any event, another attempt to raise the oil price can only help President Ford in his campaign to get the energy crisis taken seriously, at home as well as abroad. Up to now America has been reluctant to inconvenience itself since it can afford the new prices. But a new and severe twist of the OPEC screw would bring home the reality of the shift of power that has taken place—and perhaps set off a strong reaction.

It will, for one thing, greatly increase the plight of the developing countries. The World Bank has already calculated that they now need an impossible amount of aid to reach the 6 per cent. UN growth target for this decade—although it still refuses to breathe a word of criticism of OPEC.

A higher price also makes the World Bank's estimates for the oil producers' capital accumulation look more realistic. Assuming that they keep the price equivalent to only $9.40 a barrel in 1974 dollars and assuming that their imports rise by 15.7 per cent. annually on average, the oil exporters should have reserves of $460.6bn. by 1980. Moreover, more than two-thirds of this money ($333bn.) will be concentrated in the hands of Saudi Arabia, Kuwait, and some of the small Gulf producers who would still be running a current account surplus of $57.3bn. a year at the end of the decade.

So large and sudden a transfer of wealth has not occurred among nations since the Spanish plundered the Incas in the 15th century. The oil producers may well spend their money in the West, promoting employment. But their possession of it, must bring a shift in the balance of commercial, political and military power of a kind not desired by any industrial country.

EUROPEAN NEWS

Pro-party officers gain in Portugal power struggle

BY JANE BERGEROL

LISBON, May 27.

A SIXTEEN-HOUR Armed Forces General Assembly meeting yesterday failed to resolve *Portugal's continuing power* struggle between the military and the political parties. In the early hours of this morning — the now habitual time for officers to return, Cinderella-like to their barracks—a communique was issued showing signs of a weary compromise between the pro-party and anti-party factions.

It appears, however, that the *pro-party officers, led by the* Prime Minister, Brigadier Vasco Gonvalves, won a small victory over the anti-party opponents. This is because the Assembly failed to come out clearly in support of either the proposed *extreme Left revolutionary* councils or the Communist committees for the defence of the revolution — both being considered as ways of strengthening the "armed forces movement-people" alliance to the detriment of the political parties.

Although the Assembly appointed a working group to study this matter, it assured the politicians that this was not intended to eliminate them out from the political scene.

For the first time, tactical alliances were made between pro-Communist and pro-Socialist officers against the anti-party faction, led by Brigadier Otelo Saraiva de Carvalho, the exuberant chief of Copcon military security forces.

A sharp attack by the security chief against the Prime Minister, during an expose intended to support the revolutionary workers' councils, led to an uproar followed by a sergeant's motion of confidence in Brigadier Goncalves on the eve of the Brussels NATO summit to-morrow.

Following the Assembly's conciliatory line to the parties—despite some heavy criticism of Dr. Mario Soares' socialist boycott of Cabinet meetings—the ball is back in the Socialist Party's court as it has to decide *whether or not it remains in the* fourth coalition Government.

Dr. Soares returns to-day from meetings with M. Francois Mitterand and other European Socialist leaders. The party must now prepare its list of demands for presentation later this week to the Supreme Revolutionary Council. These include satisfaction for the newspaper Republica, adequate Socialist nominations to senior civil service and local authority posts, a hand in formulation of economic policy and in running the newly nationalised banking, insurance and industrial companies sectors.

Only the Socialist Party itself can decide thereafter whether the armed forces leaders have satisfactorily responded to their requests. But it looks increasingly as though another Portuguese war of communiques and accusations has reached an uneasy truce and Dr. Soares may not carry out his resignation threat.

There are signs that the Supreme Revolutionary Council *is becoming increasingly susceptible* to approaches from Western Europe, and in line with this new relaxed attitude, is unlikely to move against the parties. Brigadier Vasco Goncalves will have private talks at the NATO summit *with the U.S. President* and with the Prime Ministers of Britain, Belgium, West Germany, Canada and Luxemburg.

Observers say that the NATO summit meeting, allied to West Germany's recent loan pledge and the EEC renewed offer of aid seem to be combining to mark the end of Western Europe's cool attitude to the Revolutionary Council and that, through sheer economic necessity, closer relations may now follow.

Husak is named as new Czech President

PRAGUE, May 27.

THE CZECH Communist Party Central Committee in a move to strengthen its hold on the Government recommended to-day that Gustav Husak, Party General Secretary, replace aged, ailing Ludvik Svoboda as President, the official news agency Ceteka reported.

The Central Committee said that the 79-year-old President, because of persistent illness, has not been able to discharge his duties as Head of State for a year.

It recommended that the Federal Assembly, or Parliament, amend the Constitution so that he could be replaced and it nominated Husak as his successor. Such Central Com*mittee* recommendations are always accepted.

The Central Committee took its action in the face of new underground opposition to the Government. The action would strengthen Communist control *by removing Svoboda,* who was identified with the reform communism that led to the Soviet invasion seven years ago.

"Taking into account all aspects of the present state of affairs, the Central Committee *of the Communist Party of* Czechoslovakia has drawn the unequivocal conclusion that the state of health of the President *is too serious to allow him to* resume his duties of the head of State," the committee reso*lution said.*

The resolution praised Husak for his part in crushing the attempt of his predecessor as party leader, Alexander Dubcek, to liberalise Communism in the movement known as the Prague Spring.

Dr. Husak was largely responsible for dismantling the Dubcek reforms and has been blamed for re-introducing political repression, but he has not been an automatic servant of Moscow.

Liberals regard him as a conservative and conservatives regard him as a liberal. He has been praised for mitigating the influence of some hardliners who demanded political trials against Mr. Dubcek and his followers.

Dr. Husak's views may reflect his provincial, Slovak background—he was born into a peasant family—and the fact that he has travelled abroad only to other communist countries, apart from a boy scout trip before world war II.

Agencies

Basque arrests heighten tension

BY ROGER MATTHEWS

MADRID, May 27.

ANOTHER SPATE of arrests in Spain's Basque provinces was announced to-day including the detention of four priests and the alleged leaders of the local Communist Party. Tension in the region has also been heightened by the killing of a young man by the para-military Guardia Civil at the week-end and by the fear among lawyers that the Franco régime is about to stage *a snap show trial of two men* for whom the death penalty will be asked.

In an official statement put out by the police, 79 people are now said to have been passed to the judicial authorities since the *state of emergency was declared* in the province of Vizcaya. Another 29 are awaiting a decision and the remainder of a total of 198 have been set free. These figures are in sharp conflict with unofficial sources which puts the *total of arrests considerably* higher. Spanish journalists are now forbidden to write anything about the law and order situation in the two Basque provinces, except of course for transmitting official statements.

The arrest of the priests is going to ensure that there will be no chance of an improvement in Church-State relations, already at a very low ebb. One Basque priest is critically ill in hospital following police interrogation and three others have been beaten up by extreme Right-wingers.

The killing of an 18-year-old youth in the village of Ondarroa at the week-end has also left a bitter taste in many Basque mouths. The official version says that he insulted a Guardia Civil outside a local barracks and died when the officer's gun went off *accidentally. Police* arranged the boy's burial immediately, even before his parents had been informed.

Right-wing attacks on people suspected of having Basque nationalist sympathies seem to have been halted temporarily. These have numbered over 50, including machine-gunnings and bombings. No one has been detained in relation to these attacks. In an unofficial communique released to-day details are given of the leaders of these guerilla groups, their telephone numbers and even the numbers of the cars said to have been used in the attacks. One of the cars is purportedly registered at police headquarters in Madrid.

An urgent appeal for the mobilisation of world opinion was launched to-day over the cases of two young Basques, Jose Antonio Garmendia and Angel Otaegui, whose lawyer has been given five days to study the case for the prosecution against them. They are accused of killing a police officer in the spring of last year and if found guilty by the military tribunal are expected to be sentenced to death.

Lawyers fear that this may be a repetition of the notorious Burgos trial at the end of 1970 when six Basques, all members of the Separatist organisation ETA, were sentenced to death and only reprieved at the last moment following an international storm of protest.

Italian move delays farms talks

BY ROBIN REEVES

LUXEMBOURG, May 27.

AGRICULTURAL Ministers of the Nine to-day failed to find immediate solutions to Italian demands for a strengthening of EEC preference for Italian farm products, as its price for agreeing to more liberal treatment of Community agricultural imports from the North African Maghreb and other countries of the Mediterranean.

At the same time, Sig. Giovanni Marcora, the Italian Farm Minister, and his Council colleagues were at pains to *emphasise that the EEC* remained anxious to see the rapid conclusion of preferential trade agreements with the Maghreb countries, Algeria, Tunisia and Morocco.

The contrast between the delay *in these negotiations and the* signing of a preferential trade pact with Israel earlier this month has been the subject of hostile comment in the Arab world and a source of political embarrassment to the Community.

Italy's complaint, expressed in general terms, was that the common agricultural policy was weighted in favour of producers in the northern part of the Community, that producers of wine, fruit and vegetables do not receive the same CAP support and protection as say those of cereal and livestock.

The Community, for political reasons, wished to develop special trade links with its Mediterranean neighbours, but this was being done at the expense of Italian producers, *they added.*

Sig. Marcora rejected suggestions that Italy's objections would disappear immediately after the country's regional election on June 15. Italy had to have more effective CAP support for its fruit and vegetable industries, both fresh and processed, and measures to ensure that EEC preference for Italian wine vis-a-vis Algerian wine was respected before it could agree to more liberal treatment of Mediterranean agricultural imports.

The outcome of lengthy discus*sions, during which other* Ministers expressed considerable sympathy for the Italian Farm Minister's point of view, was that the Brussels Commission will draw up detailed proposals in time for the informal meeting of *EC Farm Ministers in Dublin on* June 9.

Hong Kong textile talks to go on

By David Curry

BRUSSELS, May 27

THE EUROPEAN Community and Hong Kong will have to meet again to finalise details of the agreement to regulate the import of Hong Kong textiles by EEC countries. A two-week-long meeting ended here late last night with a number of outstanding areas still to be settled. The Hong Kong delegation has proposed that the talks be resumed in Hong Kong in the second half of June and yesterday said that it was confident that one more round of discussions would produce an agreement.

The discussion, within the context of the GATT Multifibre Agreement, is on the products which should be subject to import quotas and the levels of those quotas. The basic principle is that limitation on imports will be imposed when the receiving country can prove that not to do so would involve a real risk of market disruption. Hong Kong feels that the EEC is trying to stretch this interpretation somewhat to put controls on certain categories of imports where no market disruption is likely.

One difference of opinion remains on knitwear concerning the size of the quota, but on the items to be covered by quotas there is believed to be broad agreement. However, the limits of some of the quotas, the formula for the annual increase in quotas, the ability to transfer from one category to another to meet market demand and the freedom to carry over unused quotas from one year to the next still await settlement.

No early EEC move on steel output

BY DAVID CURRY

BRUSSELS, May 27.

A FINAL decision by the European Commission on suggestions for voluntary production curbs by EEC steelmakers is not expected before late June, authoritative EEC steel officials said to-day.

These suggestions — guidelines and non-obligatory—are to help EEC steelmakers to adjust production to sharply reduced demand. In the first four months of 1975, the order inflow at EEC steel companies was down about 30 per cent. as compared to the same period in 1974, and in May it stagnated at "a very low level," officials said.

EEC crude steel production dropped only 8.9 per cent. in the first four months. Officials are understood to be suggesting that in the June-September period, producers should cut output by a Community-wide average of between 17 to 19 per cent., according to steel sources.

The Commission decided on April 30 to assist EEC steelmakers by giving them a four-month market projection for the June-September period to which they can, but are not forced, to adjust their individual output.

It also decided to improve monitoring production and deliveries as well as incoming orders and, specifically, prices, with a view to preventing any dumping on slack steel markets.

But so far, the Commission has not agreed on any final target production figures for the four-month period, nor has it decided whether these guidelines should be set on a national basis or for the entire Community.

After discussing the problem with the EEC Government experts yesterday in Brussels, the Commission is understood to be leaning toward production guidelines established on a national basis. AP-DJ

GERMAN MONOPOLIES COMMISSION

A dilemma of merger control

BY A. K. HERMANN

THE MERGER of VEBA and Gelsenberg, approved by Bonn a year ago, became a milestone in German economic history by the mere fact that it brought into majority Government ownership a conglomerate giant employing over 73,000 and approaching an annual turnover of some £3.5bn.

As the unsolicited report now published by the German Monopolies Commission indicates, it could well become also a milestone in the European approach to merger control. The conflict between immediate necessity and long-term blue*prints* for a "free market economy" is only one aspect of the fundamental dilemma of trust busters in Europe who find that their means often defeat their ends.

The dilemma came out *dramatically during the con*frontation between the Federal Government and the Federal Cartel Office which preceded the merger. The Federal Government dutifully notified the Federal Cartel Office towards the end of 1973 *of its* acquisition of a majority shareholding in Gelsenberg and of its intention to merge it with VEBA. After having considered the matter for five weeks the Cartel Office prohibited the merger because it would create or strengthen market domination in several sectors of industry.

Three weeks later, on February 1, 1974, the Federal Government overruled the Cartel Office declaring that the merger was necessary to safeguard German oil supplies. The Government stated that the Monopolies Commission would be asked for its opinion before the restructuring of the merged enterprises took place but later decided that there was no point in waking sleeping dogs. However, the Commission resolved almost immediately to offer the Government advice anyway, as it is authorised to do by the law.

The conclusions which it reached go far beyond the *specific case it considered. One* of the recommendations, for example, that links between oil companies and petrol stations should be severed, would, if carried out, affect all the major oil companies operating in Germany, including Shell, Esso, and BP. The Commission also has considered the possibility of furthering competition by the disbanding of Aral which distributes petrol for VEBA, Gelsenberg, and Mobil Oil, but refrained from recommending it for fear that it might endanger the co-operation between the merged enterprises and Mobil Oil.

> The attempt to improve the country's ability to compete world-wide was bound to impede competition at home.

Another recommendation, also abandoned, that competition in the heating oil market should be increased by slicing off Hugo Stinnes and Raab Karcher, shows even more clearly the international limitations placed upon national anti-trust policy: the Commission had to recognise that if VEBA/Gelsenberg were ordered to divest itself of these distribution companies, it would suffer grave disadvantages compared with *multinational oil* companies benefiting from complete vertical integration.

Reluctantly, the Commission accepted the Government argument that in the face of the cartel of the oil producing countries and because of the requirements of a policy designed to pay for oil with deliveries of equipment for large industrial projects, Germany can achieve the necessary negotiating strength on the international oil market only *by creating a large* enterprise with State participation. The Commission dismissed the argument that the merger was necessary to achieve an expansion of German oil refining capacity in order to reduce the *30 per cent. dependence on* imports, which proved dangerously high during the oil crisis.

Both VEBA and Gelsenberg told the Commission that in view of the world-wide surplus of refining capacities, there was no prospect of the construction of new refineries in Germany.

On the other hand the Commission agreed with the Government that, taking into account foreign markets, considerations of economic advantage and of public interest justified the restriction of competition resulting from the merger. But when considering the *purely domestic consequences,* the Commission was not at all certain that the merger also met the third condition imposed by the Competition Act, namely that competition must not be restricted to the point where the survival of the free market economy *is endangered.*

The crux of the problem which bedevils the anti-trust scene not only of Germany but of Europe came out clearly at the point where the Commission underlined that the magnitude and *structure of the merged* enterprise (which will be only of medium-size in terms of the international oil market) were bound to deter small and medium-size enterprises with which it will compete in *numerous domestic markets*: the attempt to improve the country's ability to compete world-wide was bound to impede competition at home. There indeed, is the unresolved dilemma of EEC policy towards the concentration *of industry.*

While resigned to the impossibility of resolving contradictions of this type, the Commission did find another front on which improvements seemed possible. As it now stands, the *merged enterprise operates in* the entire sector of the fuel and power industry—coal, gas, oil, as well as the conventional and nuclear generation of electric power. In the view of the Commission it was of the utmost importance that the different *industries supplying fuel and* energy should compete between themselves to assure the best prices and service for the consumer.

It recommended therefore that VEBA-Gelsenberg should shed its 16.3 per cent. share in the German electric power generation by divesting itself of Preussen-Electra. As the controlling shareholder, the Bonn Government has the means for *effecting* this recommendation, but the dissenting opinion of one of the Commission's members indicates that it has some strong *arguments* ready on the other side of the case. Other enterprises generate electric power, *thus ensuring that there* is competition, and it would be wrong to take Preussen-Electra out of the VEBA-Gelsenberg complex once the share exchanges involved in the merger had been effected on the assumption that Preussen-Electra would remain part of the new concern.

The Commission reasoned that freedom of the economy was particularly endangered whenever the restraints on competition go beyond questions of production and impinged upon investment and innovation. This argument becomes of absorbing interest in cases where key industries cannot reach competitive levels of productivity without state help. In Eastern Europe it has been nothing unusual for economies to be held back and the flow of investments to be distorted and innovations to be stifled by central planning.

VEBA/Gelsenberg is by no means an isolated example of a western Government being compelled by circumstances to step in and rescue industries either by nationalisation or by reorganisation with State participation. This phenomenon raises the question of the differentiation between the entrepreneurial and governmental functions of the State.

U.S., France to discuss gold and floating rates

BY RUPERT CORNWELL

PARIS, May 27.

THE SERIES of top level international economic meetings here this week will offer the first occasion for France and the U.S. to defuse a damaging public row that could jeopardise any chances of success in securing a package agreement on outstanding issues of monetary reform at IMF Ministerial talks in a fortnight's time.

The bones of contention are three: the role of monetary gold, the distribution of IMF quotas due to be settled this year, and the future of floating exchange rates. These subjects are the main topics to be discussed by the Fund's Interim Committee in Paris on June 10 and 11.

What makes the present dispute, in many respects a sequel to the running Franco-American quarrel since the 1960s on mone*tary matters, more serious is that* it has been conducted largely in public. After talks at senior official level in Paris two weeks ago had made no progress in resolving the deadlock, the protagonists carried their sniping further in the press.

Mr. Jack Bennett, the U.S. Treasury Under Secretary, in a newspaper interview accused the French of extremism and of singlehandedly holding up agreement. Within hours a communique from the French Finance Minister M. Jean-Pierre Fourcade retorted that the Americans had backtracked from agreements reached last December and January.

This wek M. Fourcade and U.S. Treasury Secretary Mr. William Simon have a chance to calm things down, on the sidelines of the International Energy Agency and OECD Ministerial Council talks. However, they will first have to clear up the central issue of exactly what was agreed at the Franco-American Martinique Summit last December and January's IMF gathering.

The suspicion is widespread here that the polarisation is but a negotiating ploy before the discussions proper begin. But the French Government's irritation has undoubtedly been exacerbated by the recent decline of the dollar, which is once more being interpreted in Paris as the "benign neglect" of days gone by—whence derives the new sparring over fixed and floating exchange rates.

How the compromise would *shape up no one is sure. But* one theory here is that the U.S. would soften its stance on gold, in return for some arrangement whereby it would preserve its right of veto in the Fund under the forthcoming quota *redistribution*

It is planned that overall quotas should rise by 32.5 per cent. but France has been seeking a reduction in the American share to below the 20 per cent. that would ensure it a blocking minority.

So far, Mr. Bennett has not been prepared to go beyond 22.4 per cent. from the present 22.9 per cent., and the speculation is that France could be prepared to let the U.S. have its way, in return for some concession on the precious metal.

Kuwait agrees to boost investment

BY RUPERT CORNWELL

PARIS, May 27.

THE EMIR of Kuwait, Sheikh Sabah al Salim al Sabah has wound up his two-day official visit to France with an agree*ment that calls for* increased Kuwaiti investment in France—perhaps including a stake in the country's ambitious uranium enrichment programme.

Details were very hard to come by—especially as Kuwait, perhaps more than any other Arab state, likes to keep its investments as secret as possible. However it seemed probable that any interest in the uranium venture—to which Iran has already pledged $1bn.—would only come at the stage of "Eurodif 2," an enlarged version of the project on which work has started already.

Other sectors that might attract Kuwaiti funds were not specified although past experience would suggest that property will feature prominently. In addition to a stake in the La Ciotat shipyards, the Emirate has purchased for $100m. the Manhattan tower in the Defence complex on the Western fringe of Paris, which is scheduled to house companies handling its operations in the EEC.

After a final round of talks with French President Giscard d'Estaing this afternoon, the Sheikh emphasised the closeness of views between his country and France on world problems—pre*sumably including* a possible restart of the energy conference so dear to Giscard, and the Euro-Arab dialogue.

France seems assured of a steady supply of Kuwaiti oil, whatever oil embargo might be applied in the event of a new Arab-Israeli war, while discussions later this week involving senior Kuwaiti officials could produce further French arms sales, for which orders stand at $300m. already this year.

Mintoff tax hint to Catholic church

By Godfrey Grima

VALLETTA, May 27.

MALTESE Premier Mr. Dom Mintoff has strongly intimated that his Government wants the island's Catholic church to start paying tax, eliminating another privilege traditionally extended by the State.

Addressing the Malta Labour **Party's annual general meeting yesterday Mr. Mintoff said that a cornerstone on which the country was being built is the need for everyone to pay tax. In an obvious reference to recent statements made by Archbishop Michael Gonzi, Mr. Mintoff added: "It is quite futile now to start attacking the Chinese." He added that other priviliges have already been withdrawn, referring to the immunities Bishops in the past enjoyed from the country's laws."**

Yesterday, for the second time in recent months, Mr. Mintoff also moved against the Communist elements that have crept into the Labour party. He made it clear that Malta followed neither American nor Soviet policies as a neutral country. He then added: "Those who believe that as socialists we must follow the Soviet Union and become their slaves had better think again because this doctrine can never be embraced by the Labour Party." Mr. Mintoff repeatedly denied that the *MLP* had Communist tendencies. In steering a neutral course, Malta had retained the friendship of both the super powers and other countries, he added.

CYPRUS BUDGET

The budget of the Turkish-run areas of Cyprus this year totals £Cyprus33m. — not £333m. sterling as stated in an article published on this page on May 7.

OVERSEAS NEWS

Policy changes may follow after Zambian PM quits

BY JOHN LEECH

ANNOUNCING that he had accepted the resignation of his Prime Minister, Mr. Mainza Chona, President Kaunda of Zambia told a Press conference in Lusaka yesterday that he was taking the opportunity to make a number of other changes in his administration which would presage new foreign and domestic policies to be announced by the end of June.

It is widely expected in Lusaka that the new directives will include further State takeovers of private enterprise. The Government took majority interests in major business enterprise in 1968 and the copper industry in 1969. The biggest foreign-owned company operating in Zambia at present is Lonrho which has, however, built close relationships with Government and party.

President Kaunda announced the dismissal of a Cabinet Minister (Mr. Amock Phiri) and two MPs from the ruling United National Independence Party for failing "to honestly submit details of their private properties" under the leadership Code which requires their divestment. President Kaunda said "The (Zambian) revolution has no room for private enterprise." On June 30 he would announce "certain measures that will take the revolution further."

A fortnight ago the Frelimo leader from Mozambique, Samora Machel, told guests at a dinner in his honour in Lusaka that Kaunda planned new measures on June 30 that would "lead to the liquidation of capitalism."

The political changes announced yesterday are not in themselves significant. The new Prime Minister is former Foreign Minister — Elijah Mudenda, like his predecessor a Southerner and confirmed Kaunda supporter. However offering Mr. Chona—a London-trained barrister who was once refused a licence to practice in Zambia by the former white hierarchy—the Ministry of Legal Affairs and the Attorney-Generalship, coupled with the dismissal of the last white Chief Justice, suggests that the President may have up his sleeve some significant changes both in legislation and the legal system.

President Kaunda pointed firmly in this direction when he told the Press conference: "We want the judiciary to be a people's judiciary. We want a system of justice that is Zambian, not foreign."

Mr. Brian Doyle, who is on leave in Ireland, is replaced as Chief Justice by a Zambian, Mr. Ammel Silungwe, until now Minister of Legal Affairs.

Other changes announced yesterday include the appointment of Mr. Rupiah Banda, Ambassador to the UN, as Foreign Minister and the appointment of the serving Foreign Minister, Mr. Vernon Mwaanga, to the party Central Committee, Zambia's top policy-making body. The Zambian High Commissioner in London, Mr. Putteho Ngonda, is also being recalled, though a successor was not announced.

Warning on Chinese influence in Nepal

By D. P. Kumar

NEW DELHI, May 27

MR. B. P. KOIRALA, former Prime Minister of Nepal, has warned that if the Government and people of India did not strengthen democratic forces in the Himalayan kingdom "one fine morning we will find China has occupied Nepal by default."

The Nepali Congress leader was exiled to India two years ago after spending 12 years in jail. He was jailed with his Cabinet colleagues after the first democratically elected Nepalese Parliament was dissolved and political activity banned in a royal coup in December, 1960.

Addressing a Press conference yesterday at Gorakhpur, an Indian town near the Nepal border, Mr. Koirala said the pro-Chinese Communist influence in Nepal was steadily increasing and if the present state of affairs continued "this influence would doubtless engulf the country."

He claimed that a big democratic movement, led by the Nepali Congress, was currently gathering strength in Nepal. Armed clashes had taken place between the army and "revolutionary groups." A "liberation army" composed of former soldiers had also been mobilised in eastern Nepal.

Mr. Koirala said he was merely seeking India's "moral and diplomatic support" and not arms. There were plenty of arms available in Nepal itself provided funds were available to buy them.

The least India could do, Mr. Koirala said, was to remove restrictions placed on about 1,000 Nepalese who had taken refuge in India.

Mr. Koirala suggested that all restrictions on carrying on a peaceful agitation should be removed. He said that what he wanted was not abolition of the monarchy in Nepal, but establishment of democratic institutions.

Lebanon looks to Karami again

BY IHSAN HIJAZI

BEIRUT, May 27.

PRESIDENT Suleiman Franjieh today held fresh consultations with the 99 members of Lebanon's Parliament to form a new Government after the military cabinet of Premier Brig. Gen. Nureddin Rifai resigned yesterday, only 65 hours after it had been appointed to office.

The consultations were considered a formality in political quarters here, as the man tipped to be chosen as Premier is Mr. Rashid Karami, the deputy from the northern town of Tripoli, who has served eight times before.

The Moslem community, which had brought strong pressure to bear on Rifai to resign, had nominated the 53-year-old Mr. Karami to head the new cabinet.

Mr. Karami is expected to form a strong cabinet of national coalition that will take quick measures to bring the country's conditions back to normal.

For the first time since the new flare-up of fighting began here a week ago between Palestinian guerillas and right-wing Phalangists, the capital today witnessed relative calm with more shops opening and normal traffic on the streets. Some armed barricades and road-blocks have been removed from certain sections of town. This followed a decision by the Leftist groups last night to call off the general strike and urge the removal of all show of arms

There was sporadic shooting throughout the night and this morning, but the heavy fighting between Phalangists and commandos had stopped. Joint patrols of Lebanese forces and guerillas have been touring the streets with orders to clamp down on snipers, accused of deliberately trying to keep up the tension.

With the crisis easing up, Moslem leaders have made a special effort to retain a good relationship with President Franjieh. Yesterday, Mr. Karami, Mr. Saeb Salam and Dr. Abdullah Yaffi, the country's three top Moslem leaders, visited the President at the residency, and this morning the Grand Mufti of Lebanon, Sheikh Hassan Khalid, also called on him and later made a statement praising Mr. Franjieh for his efforts at solving the crisis.

Editorial comment, Page 16.

'Situation is explosive'

PARIS, May 27.

THE SITUATION in Lebanon is under control at the moment but could explode into something akin to civil war, according to a senior U.S. official travelling with the Secretary of State, Dr. Henry Kissinger.

"Up to now it seems manageable but all it takes is Syria to send in a brigade," he told newsmen last night.

The official also said he believed Israel will continue "normal harassment" of Palestine Liberation Organisation (PLO) guerilla jump-off positions in Lebanon. But he said he did not believe Israel would try to do it in such style as to set off a major conflict.

To be avoided, the senior official said, is a situation in Lebanon in which the Lebanese Government lost control. Fighting in the Arab nations between PLO and Right-wing forces has led to a double change in the Lebanese Government.
UPI

Pravda denies report on bases in Libya

MOSCOW, May 27.

THE COMMUNIST Party newspaper Pravda to-day describes as a "crude fabrication" a report in Cairo's Al Ahram newspaper that the Soviet Union agreed to give Libya weapons worth $4bn. in return for military bases on its territory.

"The fate of this crude fabrication by Al Ahram is no more durable than those propagandist soap-bubbles which are often launched in the West. They burst immediately they are blown," Pravda said.

The Al Ahram report said the deal was signed by Col. Moammar Khadaffi, Chairman of the Libyan Revolution Command Council, and the Soviet Premier, Mr. Alexei Kosygin, during his visit to Libya earlier this month.

Soviet sources in Cairo on Friday denied the report as "a sheer lie" and said Mr. Kosygin agreed to supply $800m.-worth of arms but not in exchange for bases.

Pravda said the Soviet Union based its foreign policy on respect for sovereignty and non-interference in other States' internal affairs.
Reuter

S.W. Africa stand repeated

BY JOHN STEWART

CAPE TOWN, May 27.

THE PRIME MINISTER, Mr. B. J. Vorster, to-day rejected any notion that his recent Windhoek speech—in which he invited the resumption of contacts between South Africa and the United Nations Security Council on the South-West Africa independence issue—was not his last word on the subject.

Speaking at a symposium in Gaborone, Botswana, over the week-end, Mr. D. P. De Villiers, managing director of Nasionale Pers, had said the world should not take Mr. Vorster's speech last week as the final word on South-West Africa. He added that an official letter would probably be sent to the UN later.

Asked to comment on these remarks, Mr. Vorster said: "If the report is correct, then my comment is that Mr. De Villiers does not represent the National Party or the Government and cannot therefore speak on behalf of either.

"What I said at Windhoek, on the other hand, represents the stand of the National Party and the Government on all South-West African issues, including that of SWAPO."

Relief workers in Geneva accuse the Ethiopian Government of denying food supplies to a rebel-dominated province in the north. A Special Correspondent reports on

The war for Eritrea and trouble in Addis Ababa

PROSPECTS FOR peace in Eritrea are as remote as ever, despite more than three months of almost non-stop fighting in Ethiopia's northern province.

Following a phase in February, when both sides in turn took the initiative in abortive attempts to break the other's will and resistance, the conflict has reverted to the classic guerilla pattern of hide and seek — very much a part of life in the former Italian Red Sea colony since its annexation by Ethiopia 13 years ago.

The exact reasoning behind the guerillas' basic change of tactics is not clear. Some suggest that after its offensive in the opening phases of the war, the joint military command embracing the Eritrean Liberation Front (ELF) and its Marxist counterpart, the Popular Liberation Front, has been made to realise the futility of trying to match the strength and firepower of the 22,000 Government troops estimated to be stationed in Eritrea. Others point out that the guerillas decided around the middle of April to return to their mountain sanctuaries. That is when the military and political strategists of the two movements are known to have met secretly to discuss the sensitive question of the composition of any government formed after the declaration of an independent Eritrean republic. The ELF Secretary-General, Mr. Osman Saleh Sabbe, has hinted that such a declaration might come in the next two or three months. But as the guerillas have been prevented from capturing the important rail and road terminus of Keren (proposed capital of the new Eritrean administration) it is anyone's guess now when the declaration will be made.

The central Government in Addis Ababa has adopted something akin to a scorched earth policy in Eritrea. Severe retribution is meted out to all populated areas thought to have collaborated with the guerillas. In one instance, a combined land and sea military operation was carried out by Government forces against the town of Arkiko, about ten miles south of Massawa, Eritrea's northern port. Although many of the several thousand inhabitants were forewarned and managed to escape, it is reliably reported that at least 100 people, many of them sick and old, were killed. The most generally accepted reason for the attack is that Arkiko is the home of Mr. Sabbe, many of whose family still live there. However, an equally plausible reason is that Arkiko is believed to be an important staging point for guerilla arms and ammunition coming across the Red Sea from South Yemen. As military efforts to stop this flow of weapons have so far proved fruitless, an attempt is being made to improve relations with North and South Yemen and so dry up the supply by diplomatic means.

Unidentified attackers

Government fighter-bombers also launched a reprisal raid against a village about 25 miles north of Agordat reportedly razing it to the ground. In addition, eye-witnesses returning from the town of Om Hajer near the border with Sudan say that unidentified attackers have left little standing besides the concrete buildings.

Encouraged by the effectiveness of the news blackout on events in Eritrea, the Government in Addis Ababa is at pains to make it appear that near-normalcy has returned to the province. Commercial air services between Asmara and Addis Ababa have been partially restored. Many factories and businesses in the Eritrean capital have been persuaded to reopen, albeit on a much reduced scale. Nevertheless, Asamar retains the atmosphere of a city under siege and continues to go short of supplies of many essential medicines and basic foods of which, according to some reports, shortages have driven certain prices up by more than 500 per cent.

The total volume of exports through Massawa has been reduced to a virtual trickle while imports destined for all northern Ethiopia and as far south as Addis Ababa continue to pile up in the warehouses and docks, awaiting authorisation for clearance. It is these and other economic dislocations which are causing growing disenchantment within the armed forces about what is increasingly seen as a no-win situation in the province.

The 2nd Division with headquarters in Asmara is known to have demanded that the ruling *dirgue* or committee of the armed forces should begin direct negotiations with the ELF/PLF, rejecting the official assertion that the guerillas are little more than a motley band of bandits. Certain military elements have gone as far as to call for the immediate dissolution of the ruling committee for "plunging the country into economic and political confusion." They argue that the situation in Eritrea is disrupting trade and industry to the point of economic chaos, and that the cost of maintaining the army of occupation is draining the national economy at an alarming rate.

There are well-founded reports that in addition to the $7.5m. worth of emergency arms and ammunition supplied by the U.S. (the Ethiopian Government had originally requested about $30m.) the military leadership has begun buying a substantial quantity of smaller armaments on the open market. The arms, said to include Czech light automatic weapons, small calibre ammunition, and light bombs, have been ferried into Addis Ababa international airport on board an unmarked 727-230c jet from the Yugoslav port of Pula.

The ultimate supplier is still very much a mystery, but well-placed diplomatic sources have pretty much ruled out the possibility of its being the U.S., the Soviet Union, or China and say that the arms, totalling nearly 200 tons, are probably derived from a straight cash deal negotiated during a visit to Yugoslavia earlier this year by a top-level Ethiopian delegation which also visited Romania and Czechoslovakia. Increased military spending has led experts to re-assess their original estimate of how much the conduct of the Eritrean war is costing the Ethiopian Government. The figure is now put as high as $Ethiop400,000 (about £84,000) a day.

A result of attrition

The question of how to conduct the war continues to foment divisions within the *dirgue* which is said to number a little over 70 members—considerably fewer than the original 120 as a result of natural attrition and several purges. The two principal factions still centre around the first and second vice-chairmen, Major Mengistu Haile-Mariam, and Lieutenant-Colonel Adnafu Abate. Major Mengistu was originally regarded as the more radical of the two, but has recently moderated his posture towards many issues, including Eritrea. This has brought him and his supporters into open conflict with the more militant hard-liners led by Colonel Adnafu.

As the see-saw battle for ultimate power is played out behind closed doors in Emperor Menelik's Gibi palace overlooking Addis Ababa, the war drags on, further dividing and impoverishing a nation already reeling from a momentous revolution.

HOME NEWS

Latest EEC loan for Coal Board takes total to £105m.

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

ANOTHER LOAN, this time of £30m., has been approved by the European Commission for the National Coal Board.

It brings EEC loans to the NCB up to £105m. In addition, the Community has approved grants totalling £7m. for mining research and £10m. for assisting redundant mine workers.

The latest loan is for buying movable underground plant and equipment on which the NCB is to spend an estimated £63.5m. over its next two financial years. The NCB maintains a pool of such equipment for all its coal mines.

The loan is granted under Article 54 of the European Coal and Steel Community Treaty which empowers the Commission to give aid for the modernisation of the coal and steel industries.

The precise terms of the loan will now be agreed with the NCB. Interest rates on ECSC loans are around 9 per cent.

News of the latest EEC loan coincides with publication of the NCB's document. Coal and Europe. which maintains that the British coal industry has been getting much more back in aid from the Community than it has contributed to EEC funds.

Similar loans have also been granted to the British Steel Corporation and these so far total around £112m. since 1973. when the U.K. joined the Common Market.

The most-recently announced was £14m. towards a new tin plate complex at Ebbw Vale. This will cost £70m. and provide 4.500 jobs.

Fiat small car being introduced from Spain

BY TERRY DODSWORTH

ANOTHER SMALL car, the 850cc Fiat 133, is being introduced to the U.K. by Fiat.

Made by Seat, the Spanish company based in Barcelona, in which Fiat has a 30 per cent. stake. the 133 will sell in the "Mini" class—a sector where the British industry is poorly represented. The price is competitive at £1,156.

The 133 is based on the now discontinued Fiat 850, employing the same water-cooled engine (of which some 6m. have been made) and the same rear-engine, rear-wheel drive lay-out.

In appearance, however, it is similar to the Italian-made 126 and 127 models.

With an annual production rate approaching 400,000, Seat is Spain's largest car manufacturer and is exporting an increasing proportion of its output to Europe and North Africa.

The 133, sold and serviced by the Fiat network, is yet another example—like the Russian-built Lada and the Polish 125P—of Fiat's policy of extending the life of old models through overseas companies with which it has an association.

Ezra pleased with coal output

BY ARTHUR SMITH

THE COAL industry should, on its recent performance, achieve its target of at least a 5 per cent. gain in productivity each year, Sir Derek Ezra, chairman of the National Coal Board, declared yesterday.

The NCB, the trade unions and mining organisations had together recommended the consultative organisations in the coalfields to discuss a campaign to reduce the cost per ton of producing coal, Sir Derek said.

The production bonus scheme launched in March was helping to contain overall costs and produce more tons at higher levels of efficiency. Further success would give a fourfold benefit, Sir Derek said.

"For the nation, every additional ton of coal mined represents a saving against the balance of payments; for customers it means the price of coal can be kept within reasonable limits; for those who work in the industry it means the opportunity for additional production bonus earnings.

Champion pit

Sir Derek was speaking at Daw Mill Colliery, near Coventry, where he accompanied Sir Murray Fox, the Lord Mayor of the City of London, who became the first holder of the office to go down a coalmine.

Daw Mill was the first pit in the Warwickshire coalfield to reach an output of 1m. tons in a year and is currently producing at an efficiency nearly 2½ times the national average.

Perkins expansion plans held up by staff shortages

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE MAJOR expansion plans for Perkins Engines' plant at Peterborough are being held back because of shortages of shop floor engineers and computer staff.

Perkins is spending £10m. during each of the next two years at the diesel engine plant which has an annual capacity of around 232,000 units for automotive, industrial and agricultural use.

The expansion is needed following a boom in demand which came after the oil supply crisis. Perkins had previously forecast a 5 per cent. a year increase in demand for diesel engines. After the oil crisis, demand has jumped by an annual 14 per cent.

Perkins gives two reasons for its inability to work at full capacity at Peterborough: problems with component supplies and shortages of skilled employees.

Perkins, which is a subsidiary of the Canadian Massey-Ferguson group, buys nearly all of the components it uses and it only requires one or two component manufacturers in the U.K. to have production problems for Perkins also to feel the effects.

For example, Perkins is still feeling the effects of three-day working which have continued to hit some components makers. But it has just about solved this particular problem by buying components on a world-wide basis rather than mainly from the U.K.

On the staff side, Perkins is relying more and more on computers for its operations, but is having little luck in attracting all the skilled staff it needs to operate them. The group is also a victim of the general shortage of engineers which has long affected the South-east.

As a result of these problems. Perkins is turning out around 1,350 to 1,400 engines a day, compared with the current capacity of 1.450 to 1,500.

The group said earlier this year that the expansion programme was designed to increase output by 20 per cent. on last year's 232,000 units and would probably require 500 people in addition to the 8,500 already employed at Peterborough.

Laing sees 3-month delay on Burmah oil platform

LAING OFFSHORE, a leading oil rig construction yard in the North East, confirmed yesterday that completion of its next platform, Graythorpe Three, will be delayed by up to three months.

The float-out of the £25m. platform for Burmah Oil Development's Thistle Field was originally scheduled for next April, but will not now take place until June or July.

Construction of the steel structure of the jacket has been held up by delivery delays and design changes, says Laing. There was difficulty in obtaining 32,000 tons of special steel from Japan, Germany and France.

When completed, the platform, which is larger than structures previously built by the yard, will have a 70,000-barrel storage capacity.

The yard has nearly completed a £20m. platform, Graythorpe Two, for BP, which is due for launching late next month or early July.

This will leave the Burmah contract as the only remaining order for Laing, which last week announced a cutback in its workforce because the building of the platform is less labour intensive than previous structures.

The company is discussing the extent of the cutback, which it intends to carry out by natural wastage, with senior shop stewards, who estimate that 400 of the 1,650 jobs will be affected.

Single Co-op organisation is approved by 11,370 to 2,635

BY SANDY MCLACHLAN IN EDINBURGH

THE Co-operative Movement took another step yesterday towards merging its wholesale and retail arms into a single national federation.

Delegates at the annual conference here passed by a substantial majority the resolution to set up a committee which will report to next year's conference on how to achieve a merger between the CWS and the Co-operative Union.

But although the conference again expressed its general approval of a merger, there was an underlying note of warning to the leaders of the Movement. Delegates from some retail societies made it clear they will want reassurance on a number of issues if they are to support the final plan.

Many retail societies fear a merger would result in the movement becoming dominated by the management of the CWS, who are more committed to trading problems and less to the fundamental ideals of the Co-operative movement. One delegate yesterday, speaking against the proposal, said the movement was about to commit "ideological suicide."

Two amendments aimed at effectively killing the resolution were easily defeated. But a third amendment proposing that the special committee consider the desirability of a merger as well as the ways in which it might be achieved was incorporated into the original resolution put forward by the central executive of the Co-operative Union.

The chairman of CWS, Mr. Lloyd Harrison, backed the resolution and emphasised that the CWS support was the decision of the Board, elected by retail societies, and did not result from management pressure. "Any thinking person would know that it was right and desirable for there to be a single body, where the Government and other national bodies like the Price Commission could turn to for information and assistance," he said.

Mr. Ben Parry, chairman of the Co-operative Union, also spoke in favour of the resolution to set up a special committee. The final vote of the conference was 11,370 for the resolution and 2,635 against. It also passed a resolution requesting the central executive of the union to report to the 1976 congress on the progress made towards implementation of Regional Plan 2. This is designed to reduce the 231 independent societies to 26 regional groups, and was approved by congress last year.

Mr. Parry admitted that progress towards implementing the regional plan had been "disappointing." He blamed the attitude of individual societies to what the Co-operative constitution demanded, namely that they should follow conference decisions. He criticised the Boards of many societies for allowing their businesses to deteriorate to dangerously low levels before even considering the idea of a merger.

Oxford Union 'needs to be charity'

THE OXFORD UNION must become a charity if it is to survive, its president, Mr. V. van Amerongen, said yesterday. The scheme's opponents were "a small but vociferous group taking a short-sighted, blinkered view."

A poll of the union's 43,000 members is being held on Thursday. They will vote on the charity idea put forward by its standing committee to pay off debts.

Mr. van Amerongen said: "The scheme for charitable status has unanimous support from the union society's standing committee, its senior officers and all the trustees."

The union not only wanted to pay off its debt of £70,000, but to proceed with major structural repairs, estimated at £200,000.

Eventually, it wanted to set up a £750,000 reserve fund to improve its property.

"The only way an appeal can succeed is by having charitable status—otherwise too much is eaten away by capital transfer and other taxation, making the donation of money prohibitive."

Mr. Malcolm Bacchus, who is leading an "anti" campaign, warned that in the long term "the idea would leave the union without the £1m. collateral of its buildings and possessions, which would belong to the charity."

Pension amendment may disappoint

BY ERIC SHORT

THE MAJOR amendment to the Social Security Pension Bill foreshadowed by Mrs. Barbara Castle, Secretary for Social Services, in last Tuesday's committee discussions on the Bill could prove disappointing to the pensions industry.

In the amendment, which has now been published, the Government proposes to put a limit on the cost of buying back into the State scheme when an employer decides to end the contracting-out arrangements of his private pension scheme

Previously under the provisions of the Bill, employers who wished to end the contracted-out arrangements of their private pension scheme would have had to pay a buy-back premium to the State scheme that would provide a guaranteed minimum pension based on the employee's past earnings revalued each year according to the index of National Average Earnings.

The amendment now proposes that a 12 per cent. per annum limit should be put on the amount by which an employee's earnings should be revalued. But the limit only applies to the last five years before buy-back.

The economic climate of the past two years of rapidly escalating earnings and negative investment returns has made it very expensive to run contracted-out private pensions schemes.

Should the employer find it too costly to continue, he can cut benefits back to the minimum requirements. If that is not enough, then he has little alternative but to cease contracting out and go back into the State scheme.

But the assets of the pension scheme could well be insufficient to meet the buy-back costs in such a situation of inflated earnings and negative investment returns and the employer would have to make up the deficiency from other assets.

Difficulties

The amendment gives the employers a certain amount of time to decide on a course of action once he discovers that the pension fund is running into difficulties and does put an upper limit on his buy-back liabilities over the next few years.

The Government has made it clear that the change is designed to save employers from the consequences of a catastrophe situation and not to bale out pension funds from a poor period of investment returns.

Employers will be able to wind up a pension scheme without bankrupting themselves, but will not get a subsidy from the Government to enable the fund to continue as a going concern.

Rise in 'perks' boosts salaries

FINANCIAL TIMES REPORTER

AN INCREASING NUMBER of companies are giving their office staffs higher fringe benefits to supplement pay packets, according to a survey published yesterday.

Free food, discounts on goods and services, travelling allowances and housing assistance schemes are the most popular perks. This is the finding of a study on Fringe Benefits for Office Staff 1975 published by the Alfred Marks Bureau which is based on information supplied by companies employing some 50,000 people.

Seven out of ten organised discounts for their staffs and some discounts were as high as 35 per cent. Sixty per cent. had social or sports clubs, but Mr. Bernard Marks, chairman of the Alfred Marks Bureau, says this benefit is on the decline since employees preferred to organise their own social time and found tax-free monetary benefits more attractive.

Just under half the companies surveyed had incentive or bonus schemes and a majority of office workers enjoyed holidays of four weeks, which was the norm on the Continent. Another popular benefit was the staff canteen with 53 per cent. providing subsidised meals.

An interesting finding was the proportion of companies that operated flexible hours in their offices — nearly a third, which indicates the growing popularity of this system.

Councils trying to save N. Shields fish dock

TYNE AND WEAR County Council and North Tyneside Council are ready to supply cash for the Port of Tyne Authority to save a scheme to build a fish dock at North Shields.

The two councils are jointly looking at the finances of the project and intend to seek talks with the Authority.

Mr. John Gillespie, managing director of the Authority, revealed last week that inflation was putting the scheme "in the balance." He said the original £3m cost might rise to £8m.

The authority has waited for more than a year for a Government decision on a 60 per cent. grant for the dock. But it now contends that an 85 per cent. grant is needed.

Councillor Michael Campbell, Leader of Tyne and Wear County Council, said yesterday that the new dock was a regional development which was absolutely necessary. "We feel it should go ahead now rather than be deferred for some years, and we are hoping for talks with the Port of Tyne Authority."

● A joint delegation from the two councils and the port Authority will be back in Copenhagen to-day for more talks with DFDS, the Danish shipping line, on boosting its passenger trade with the Tyne.

The local authorities will offer "promotional incentives" similar to those which last month decided the Bergen and Fred Olsen Lines to stay on the Tyne instead of moving to Hull

In return DFDS is expected to step up sailings next summer between the Tyne and Esbjerg, and it may introduce a new service, possibly to Hamburg.

Design awards for laser beam and dinghy

A BOAT designer and a scientist are among the winners of this year's Duke of Edinburgh's Design Prize and will receive their certificates from Prince Philip in a special ceremony at British Aircraft Corporation's headquarters at Filton, Bristol, to-day.

Mr. Peter Milne, of Norton, near Chichester, wins his award for designing the Bullett racing dinghy—a high-performance, low-cost youth boat.

Dr. David Dyson, of Dundee, works for Ferranti and led the company team which designed the MF-400 multi-fold cutting laser—the smallest of its type in the world.

Managers tempted by work abroad

FOUR OUT of every five British managers are thinking of working abroad, according to a survey by management consultants Keirnan and Company.

There were 140 replies out of the 250 managers canvassed earlier this month. The favourite countries were France and Canada, followed by Holland and then the U.S., Australia and South Africa.

Mr. Donald Etheridge, managing director of Keirnans, said 87 per cent. cited high levels of taxation and 84 per cent. the higher salaries to be earned abroad as motives for possible emigration. For 80 per cent. the economic, political and social climate of this country was a primary reason for their attitude.

IVECO

IVECO – Industrial Vehicles Corporation – The new force in the commercial vehicle world

Five great international names from Italy, France and Germany, renowned for their traditional quality and advanced technology have joined forces. To form one of the mightiest vehicle manufacturing enterprises in the field of commercial transportation.

Fiat of Turin and Klockner-Humboldt-Deutz of Cologne have united to form the holding company IVECO. This comprises of Fiat Veicoli Industriali (combining the Fiat and OM products), Lancia Veicoli Speciali, Unic-Fiat and Magirus-Deutz.

The Size of IVECO. The new organisation's labour force numbers well over 50,000 employees. The 1974 production figure for vehicles manufactured by the companies represented in the holding company totalled around 110,000. Annual sales are of the order of 1,300 billion lire. The production range starts at 3.5 tonnes and goes up to the maximum weights permitted by ruling legislation. There are 200 basic models and over 600 adaptations including buses and specialist vehicles. Propulsion systems include the water-cooled diesel (Fiat, OM, Unic-Fiat and Lancia) and the air-cooled diesel engines found in the Magirus-Deutz ranges.

The Factories. IVECO has 16 major production plants in Italy, France and Germany.
Italy: Three factories in Turin plus further plants at Brescia, Milan, Cameri, Suzzara and Bolzano.
France: Factories at Trappes, Bourbon-Lancy, Fourchambault and Suresnes.
Germany: Three factories at Ulm and a plant at Mainz.

The Purpose of the IVECO Holding Company

Combined International Expertise
An amalgamation of resources and experience to create a more efficient response to the growing demands of technological progress. And to effectively combat fierce international competition.

Retention of Individuality
The market personality and engineering features of the individual ranges manufactured by the companies forming IVECO will be retained.

Improved Standards of Quality
Combining the engineering and financial capacities of the participating partners to substantially increase product quality.

Comprehensive Vehicle Range
Production programmes will be formulated, aimed at achieving a wide overall manufacturing diversification in all vehicle classes.

Multinational Manufacturing Experience
IVECO can offer a solution to differing engineering, commercial and social problems involved in manufacturing, by utilising its vast nation-wide knowledge of specific requirements and necessities.

Greater Service Facilities
To set up an extensive network of modern service facilities, for all their ranges, to meet the exacting demands of international transport operations.

FIAT veicoli industriali

1974 Production: 55,500 industrial vehicles and buses, 50% of which were exported to 90 countries. The market share of Fiat trucks in Italy was 54%. In Africa, Fiat were the market leaders in the field of heavy trucks.

OM

1974 Production: 28,000 industrial vehicles, 30% of which were exported to various European countries. The market share of OM industrial vehicles in Italy was 40%. The OM range in particular offers an abundant variety of medium and lightweight trucks.

LANCIA VEICOLI SPECIALI

1974 Production: 3,000 special vehicles earmarked for varied civil and military duties (four-wheel drive vehicles, amphibious vehicles etc.)

UNIC FIAT

1974 Production: 10,300 industrial vehicles, 30% of which were exported to other European countries, French speaking Africa and the Middle and Far East. Unic-Fiat held an 18% share of the French heavy vehicle market.

MAGIRUS DEUTZ

1974 Production: 13,000 industrial vehicles and buses, 60% of which were exported to over 50 countries. The company specialise in the manufacture of building industry four-wheel drive vehicles (25% of the German market) and are European leaders in the field of fire-fighting vehicle manufacture.

HOME NEWS

Boeing extends R-R jet agreement by 10 days

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BOEING, the U.S. aircraft group, has extended by ten days its agreement with Rolls-Royce (1971) on the plan to put the R.B.-211 engine into the Boeing 747 Jumbo jet. The extended agreement runs from Friday.

The reason is that Boeing recognises it will be difficult for the U.K. Government to take any meaningful decisions on this plan until the Common Market referendum on June 5 is over.

In a letter to Rolls-Royce, Boeing has made it clear, however, that if and when the agreement is renegotiated it will have to be on substantially different terms, with Rolls-Royce and the U.K. Government financing the whole of the venture.

The plan so far has provided for Rolls-Royce to put the more powerful version of the RB-211 engine—the so-called 524 version—into the Jumbo and so gain a share of the big market that everyone agrees awaits it right up to the end of this century.

The finance for this venture has been forthcoming from Rolls-Royce itself, with Boeing putting up some of its own money to do the necessary engineering on the Jumbo to accommodate the RB-211.

The Government, while financing the development of the 524 engine for the Lockheed TriStar airliner, has declined to put in any more money to help Rolls-Royce get the engine into the 747 until at least two orders for a Rolls-powered Jumbo were placed. So far, there has only been a promise from British Airways that if a Rolls Jumbo was available it would buy it, and no other airline has even expressed this kind of conviction.

The attitude among the airlines throughout the world is that while they are interested in the possibility of a Rolls-powered Jumbo, they are not prepared to place firm contracts for it until it is available.

Both Rolls-Royce and Boeing have argued with the U.K. Government that unless and until it helps to finance the venture no orders are likely to be forthcoming. The situation now is that both companies recognise the market potential for the Rolls Jumbo but neither is prepared to finance it—Rolls-Royce because it cannot and Boeing because having already put in enough of its own money feels it is time for the U.K. Government to back it financially.

The original agreement between the two companies has been renewed on a number of occasions over the past 12 months. Boeing is virtually saying now that while it is prepared to give the U.K. a few more days' grace because of the political difficulties over the referendum, it is not prepared to go on indefinitely.

European aerospace industry needs us, says Rolls chief

ONLY INSIDE the Common Market could Britain make her maximum contribution to the development of a European aerospace industry, Sir Kenneth Keith, chairman of Rolls-Royce (1971), declared in Paris yesterday.

Speaking at the conference on world aerospace organised by the Financial Times in conjunction with the aviation journals Flight International and Air et Cosmos, he said that he fervently hoped for an overwhelming Yes in the referendum. Afterwards, the British Government and British business would do everything they could towards the success of the Community and make up for past shortcomings.

"I am a believer in collaboration," said Sir Kenneth, "and it is my view that no new major programme, civil or military, is likely to be undertaken again by any one company. The amounts of money involved, the time scale and the risks are far too great.

"If collaboration is going to be meaningful, it must extend to all the facets of the operation—by which I mean design, development and manufacture—and there must be a reasonable balance between the partners involved.

"I would think that governments who have to sponsor programmes and who, at this moment of time, seem to have no policies as regards their aerospace companies (if my own Government has one, it has not seen fit to inform me) should bend their minds to seeing that we in Europe do end up with a sensible, viable and competitive aerospace industry.

"I would like to see a European industry capable of competing with and collaborating with our friends on the other side of the Atlantic on as nearly equal terms as possible."

The theme of collaboration was amplified by other speakers at the conference. Dr. Alpiero Spinelli, the European economic commissioner for industrial and technological policy, said that the EEC would soon be receiving a new report on the possibilities of future aerospace collaboration within the Community. The lack of a real central decision-making body in European aerospace was holding back the development of the much closer integrated industry that many in Europe wished to seek.

Sir Kenneth . . . call for partnership.

A similar theme was adopted by Mr. Allen Greenwood, managing director of the British Aircraft Corporation and president of the Association of European Aerospace Material Manufacturers.

"We must aim for a target where our European joint companies and partnerships have long-term work programmes, involving successive projects," Mr. Greenwood said.

"This is not the case at present. We must avoid internal competition amongst ourselves, because such competition within Europe is utter madness. Basically, it can only mean that we are wasting our resources and our taxpayers' money.

"But at present we do waste money—not only because European manufacturers are still too chauvinistic—or nationalistic—but because there is not any inter-governmental mechanism for co-ordinating military staff requirements. Until such machinery exists—and it is needed for more than industrial reasons—manufacturers of military equipment will continue to be tempted to work along nationalistic lines."

Tridents may now land 'blind'

BRITISH AIRWAYS' Hawker-Siddeley Trident 2E and 3B jets have been cleared by the Civil Aviation Authority for almost "blind" landings.

The aircraft are theoretically allowed to approach automatically to as low as only 12 feet above the runway before the flight deck crew decide whether to complete the landing or overshoot.

But in practice landings and take-offs will not be undertaken where visibility is less than about 82 yards — partly because the pilot needs to see well enough to taxi safely, after landing to the terminal area.

The aircraft use the Smiths Industries Autoland system.

£17m. offer for Stern rejected

By Joe Rennison

AN OFFER of £17.5m. made via the Department of the Environment for the residential portfolio of the collapsed Stern property empire has been rejected as wholly unacceptable.

Cork Gully, the liquidators for the parent company Wilstar Securities, said the offer was "not in the same street" as what they were looking for. They wanted something between £45m. and £50m. for the 80 blocks comprising some 4,800 flats.

The DoE itself would not buy the properties but would sanction the Housing Corporation to lend money to existing or new housing associations to take over the properties.

The liquidators, through estate agents, have been looking for a single buyer for the whole residential portfolio since if the flats or even individual blocks were sold separately it could be years before any final deal was achieved.

On mortgage

Now that the DoE offer has been rejected, the liquidators will have to continue seeking a single offer or sell off the flats to present tenants.

The DoE along with the GLC and the London Boroughs are anxious that the properties should remain in the rented sector.

But there is some embarrassment at the thought of baling out a private landlord on this scale. Only last month a spokesman for the DoE emphasised that "initially no public funds would be available for this purpose."

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EMI wins fire contract

Major petroleum storage sites in Belgium are to be safeguarded by British electronic early warning fire detection systems under export contracts won by the EMI group.

Altogether, a total of 45 highly-sensitive flame detection schemes worth around £65,000 are to be installed at four regional petroleum depots operated by the Fina oil company in Belgium. The storage installations cover a combined ground area of some 750,000 square feet.

Restaurant chain forced to give undertaking on hygiene

BY ELINOR GOODMAN

A LEADING London restaurant chain, which has already been prosecuted ten times for breaking the food hygiene regulations, has given an undertaking to the Office of Fair Trading that it will obey the regulations in future. Failure to keep to this undertaking could result in a prison sentence or an unlimited fine.

The London Eating Houses Group, which operates 74 restaurants in the South of England under names like Aberdeen Steak Houses, Texas Pancake Houses, American Hamburger and Pizza Pizza, has been convicted of offences under the Food Hygiene Regulations on ten occasions over the past six years. Now the Office of Fair Trading is using its powers to get a written assurance from a persistent offender that it will stop acting against the consumers' interest.

If such an undertaking is broken, the Director-General of Fair Trading can get an order forbidding the trader to continue such conduct. Breach of an order amounts to contempt of court and lays the offender open to a fine, or in the case of an individual, imprisonment.

This is only the fourth time that the Director General has required such an undertaking and London Eating Houses Group is by far the largest company yet named in this context.

The London Eating Houses Group said yesterday that it did not believe its standard of hygiene was any worse than any other catering chain. A spokesman for the company suggested that an examination of court records would show that all the big catering groups had been convicted of similar offences. The Office of Fair Trading, the company said, appeared to want to make an example of a company and had chosen the London Eating Houses Group for this purpose.

Since December, when the last conviction was brought, the Group said it had spent more than £15,000 on improvements, initiated hygiene courses for staff and appointed a hygiene officer.

Two separate undertakings have been given, one by the company and one by its director, Mr. Ali Salih. Among other things they prevent London Eating Houses Group, or any other business in which Mr. Salih may be a director, from carrying on a food business at insanitary premises, failing to keep articles of equipment which comes into contact with food clean and failing to keep sanitary conveniences clean and in efficient order.

ICI urged to cut staff further to improve productivity

BY RAY DAFTER

ICI MUST shed still more staff to improve its productivity and bring it in line with its world competitors, according to a report just published.

The recommendation comes at a time of pay talks between ICI and trade unions. It follows a five-year period in which the number on the company's "weekly" payroll in the U.K. has been reduced from 65,000 to around 57,000 without any serious disruption to production or industrial upheaval.

The latest issue of Chemical Insight suggests, however, that steep increases in wages and salaries would make a speedier reduction in numbers inevitable. As the accompanying table shows ICI's total remuneration per employee is much lower than its competitors. Indeed, its pay-per-man in the U.K., at $6,655 on average, is some $1,100 below the group's worldwide figure.

"The situation presents both challenge and opportunity, for it will entail dramatic changes in manning at all levels, including managerial," says the report.

ICI, it says, now has a high proportion of efficient, modern plants. So, increased productivity would have to come through a reduction in numbers employed.

Dow Chemical, the U.S. group, is cited as an example for the industry. With almost a quarter of ICI's number of employees, it ranks as the top performer per employee for sales, profit, and total remuneration among the eight large companies listed in the analytical journal.

Britain's industrial problems are considered to stem from the fact that it is changing from a low-wage, low-productivity nation to the "fundamentally sounder" position of being a high-wage country, with potential for higher productivity.

"Had Britain joined the EEC earlier, it is argued, the change would have come earlier. "In the event, non-membership meant that large sectors of industry were cushioned from head-on competition with their more efficient continental counterparts."

Company		Sales per employee	Profit per employee	Number of employees	Total pay per employee
		$	$	No.	$
Dow Chemical	(U.S.)	92,655	10,458	53,300	16,655
BASF*	(Ger.)	73,867	1,942	110,989	14,860†
Monsanto	(U.S.)	57,412	5,305	60,926	13,185
DuPont	(U.S.)	50,487	2,952	136,866	15,840
Union Carbide	(U.S.)	48,555	4,837	109,566	15,489
Hoechst*	(Ger.)	46,956	1,490	178,710	12,389
Akzo*	(Holland)	40,778	1,440	105,400	11,914
ICI*	(U.K.)	34,532	3,060	201,000	7,783§

*=Currencies converted at year-end. †=BASF AG only. §=ICI's UK figure was $6,655

Used-car protection code for Scotland

By Elinor Goodman

THE FIRST voluntary code of practice to result from negotiations between the motor trade and the Office of Fair Trading was announced yesterday by the Scottish Motor Trade Association which launched a Used Car Consumer Plan.

The plan, which, it is hoped, will go some way to reduce the high volume of consumer complaints about the motor trade, will ensure that second-hand cars sold under it have been prepared and tested to a set standard. Like all other voluntary agreements approved by the Office of Fair Trading, it incorporates an independent arbitration service provision and means for consumers to obtain redress.

The working of the code is likely to be studied closely by the Motor Agents Association, which represents garages in the rest of Britain. The association has been discussing a possible code with the Office of Fair Trading for the last six months. The code envisaged would, however, be much wider than that announced yesterday by the Scottish Motor Trade Association, and would cover new cars too.

Standard

In future SMTA members will carry out a standard schedule of preparation on all used cars offered for sale. They will also sell cars with a warranty, graded according to the age and condition of the car, and undertake that to the best of their knowledge, the mileage recorded on the milometer is correct.

The SMTA has set up a customer complaint service to deal with disputes. If customers fail to obtain satisfaction, they can seek an independent judgment from a member of the Institute of Arbitrators.

The SMTA has agreed that if a motor trader is the subject of three or more justified complaints in a year, he will be expelled from membership of the plan.

APPOINTMENTS

Taylor Woodrow group posts

Mr. F. W. Jenkins, Mr. J. W. Rogers and Mr. R. G. Smith have been appointed directors of TAYLOR WOODROW CONSTRUCTION.

Mr. Jenkins is head of the mechanical, electrical and process division, and was appointed a divisional director in January, 1974.

Mr. Rogers has been a divisional director of the company since January, 1971. He is now responsible for the project engineering activities of Taylor Woodrow Construction.

Mr. Smith joined Taylor Woodrow in 1953. He has been concerned with both estimating and marketing activities for which he is now responsible, and was made a divisional director of the company in 1971.

★

Mr. John W. Whitehead will retire as chairman of R. P. MARTIN & CO. on June 30 and will be succeeded by Mr. Michael D. Phelan. Mr. Whitehead will continue to be a director of the company and Mr. Peter M. Shafto remains deputy chairman.

★

Mr. A. R. Perry has resigned from the Boards of ESTATES PROPERTY INVESTMENT COMPANY and it subsidiaries, to reduce his business commitments. Mr. C. N. Knight has been appointed chairman in place of Mr. Perry and Mr. D. V. Udall has joined the parent Board.

★

Mr. David Wake has been appointed managing director of WALAW PLANT HIRE, a member of the Lawrence Group.

★

Mr. Martin Mackintosh has joined the board of PENNINE MOTOR GROUP. Mr. Mackintosh is a former director of Rowntree Mackintosh and is a director of the Halifax Building Society.

★

Mr. L. J. D. Wheble, secretary of the PROVIDENT MUTUAL LIFE ASSURANCE ASSOCIATION, will retire on May 31 after over 46 years with the Association. Mr. G. W. Stirling has been appointed secretary from June 1.

★

Mr. Douglas Coakley has joined the Board of TREXAPALM. Mr. Coakley was previously managing director of A&BC Chewing Gum.

★

Mr. Kick Schulp, export manager for FREELINE has been appointed a director. He will continue to be responsible for the company's export business.

★

Mr. Kenneth Liatsos has been appointed director of business planning on the Brussels headquarters staff of the WABCO WESTINGHOUSE group. Before joining WABCO, Mr. Liatsos, a U.S. citizen, was assistant treasurer of international operations at International Paper Company.

★

Sir Eric Griffith-Jones, chairman of the Guthrie Corporation, and Sir Lindsay Alexander, chairman of Ocean Transport and Trading, have been elected vice-presidents of the LIVERPOOL SCHOOL OF TROPICAL MEDICINE.

★

Mr. E. A. Tetlow has been appointed managing director of RIBBLESDALE CEMENT from June 1. He was formerly managing director of Trent Concrete.

★

Mr. R. J. Hillen has been appointed to the Board of CUPRINOL, as works director.

★

Mr. R. Bissett and Mr. H. Osborn have been appointed directors of BROWN LENNOX & CO.

★

Mr. T. E. B. Green has been appointed chairman and chief executive, and Mr. J. B. Smith has been appointed a director of SPARMIC MINERALS (PTY.), Johannesburg.

Mr. F. Atkinson has been appointed an executive director of HARRIS & DIXON.

LABOUR NEWS

Garage pay deal to raise car repair charges 12½%-15%

BY OUR LABOUR CORRESPONDENT

MOTOR VEHICLE repair charges are expected to rise between 12½ and 15 per cent., largely as a result of a pay agreement giving 350,000 garage workers increases of between £3.40 and £8.10 a week in two stages, payable from the end of this month and next January.

The settlement, which is on top of £4.40-a-week cost-of-living threshold payments consolidated into basic rates in February, includes minimum rates rises of between 12½ and 25 per cent., equal pay for women and improved overtime and holiday pay.

Since many garage workers already receive more than the minimum rates—Department of Employment figures show that average earnings were £43.15 for 43.7 hours last October—both sides of the Motor Vehicle Retail and Repair Industry National Joint Council agree that the effect of the settlement on earnings cannot be evaluated.

For the same reasons the effect of the settlement on charges for repair and service work cannot be assessed, although the employers' side made clear that management would wish to maintain charges "at a level commensurate on the one hand with rapidly improving standards and on the other with the capacity of the client to pay."

Under the deal the range of basic rates will go up, from £26.06-£31.90 to £28.40-£36 from June, and to £30-£40 from next January.

Percentage increases under the first stage vary between 6.7 and 14.1 per cent., while the second stage will improve the new rates by between 5.6 and 11 per cent.

Parties to the agreement are the Motor Agents' Association and Scottish Motor Trade Association; and a group of five unions led by the Transport and General Workers' Union, with the Amalgamated Union of Engineering Workers; the General and Municipal Workers' Union; the Electrical and Plumbing Trades Union; and the National Union of Sheet Metal Workers.

DEATH OF UNION CHIEF

Mr. Hardie Ratcliffe, who was general secretary of the Musicians' Union for 23 years, died in hospital on Monday after being ill for several months. He was 67 and a godson of Keir Hardie. He became a union official in 1937.

Ford deadlock worsens after union backs strike

BY LORELIES OLSLAGER, LABOUR STAFF

EIGHTY doorhangers and fenderfitters at Ford's Dagenham plant, whose six-week stoppage has made more than 5,000 men idle and lost the company 11,000 cars worth £22m. in salesroom terms, yesterday decided to stay out "indefinitely" in their dispute over manning levels.

They were told by shop stewards that one of their unions, the General and Municipal Workers Union, had decided to make the strike official. The Transport and General Workers Union, which represents most of the men, has not yet decided on a request by shop stewards for union endorsement.

The stewards are also pressing hard to have the dispute referred to the Advisory, Conciliation and Arbitration Service a move which in their view presents the only way out of the present deadlock. Last week, they appealed to both Mr. Harold Wilson, the Prime Minister, and Mr. Michael Foot, the Secretary for Employment, to bring their influence to bear on Ford's management and make them agree to arbitration.

But so far, the company remains adamantly opposed to accepting a third party's verdict in the dispute. It argues that the disagreement over manning levels is not one which allows the kind of compromise that normally results from arbitration, and has to be settled between the parties directly involved.

It has offered to discuss and review the new manning levels as long as the striking men are prepared to "give them a try" first. But the strikers, with the full support of all Ford shop stewards and now the General and Municipal Workers Union, insist that they will only resume work on the basis of the *status quo*

Ford is proposing to reduce the number of doorhangers from 26 to 18 for each shift, and to put the men taken off the job into a labour pool for redeployment.

The move is part of an overall efficiency drive which the company has been mounting since last autumn, and the doorhangers' strike is the most serious opposition Ford has encountered so far—apart from the spectacular but short-lived occupation of the Swansea plant six weeks ago.

Despite the ill-feeling which the dispute has engendered, the majority of shop stewards are trying hard to avoid an escalation of the Dagenham conflict. They are now considering appeals to Mr. Len Murray, the general secretary of the TUC, and a further approach to Mr Jack Jones, the general secretary of the TGWU. But pressure continues for further industrial action, possibly a strike at the Dagenham foundry which would paralyse the whole of Ford's operations in the U.K.

Threat to new Channel ferry

UNION ACTION threatens to disrupt to-day's maiden voyage of a ferry service from Southampton to St. Malo. The German TT Line wants to introduce the service on the 3,847-ton Mary Poppins, which is already fully booked to sail with more than 300 passengers and 80 cars

But British and French trade unionists have blacked the new ferry, and say they will not allow the Mary Poppins to sail from Southampton or any other South Coast port. They claim the ferry will "cream off" the summer trade.

If the ferry manages to sail from Southampton, they say, they will blockade St. Malo to prevent her putting in. A spokesman for the shipping line yesterday was emphatic that the Mary Poppins would sail "She is scheduled to operate, and she will," he said.

But a spokesman for the unions was equally emphatic that the ferry would not be allowed to go into service.

● Our Liverpool correspondent writes: The passenger car ferry between Liverpool and Belfast was suspended for the third successive night last night because of an industrial dispute involving 60 crewmen. People were again advised to travel by alternative means, either on the Mersey-Dublin car ferry or with Sea Link between Stranraer and Larne.

A spokesman for the P & O Line at Liverpool said the company was trying to recruit crew replacements, and once this had been achieved normal sailings would resume. He denied any suggestion that this might be construed as strike-breaking because, he said, the men involved were dismissed for refusing to sail and were therefore "not on strike."

About 50 men walked off the Ulster Queen at Liverpool and 10 off the Ulster Prince at Belfast on Sunday, the night the summer sailing schedule was to start. They claimed the seven-nights-a-week programme cut into their off-duty hours, and demanded extra pay. Officials of the National Union of Seamen discussed the position privately in Liverpool yesterday.

EQUITY PRESIDENT

Actor Hugh Manning is the new president of Equity, the actors' and performers' union, following an election held by the 58-strong council of Equity.

Conciliator tackles seamen's dispute

By Our Labour Staff

THE INDEPENDENT Advisory, Conciliation and Arbitration Service yesterday stepped into the seamen's pay dispute when Mr. Andy Kerr, chief conciliation officer, saw employers' leaders.

To-day he will have similar discussions with leaders of the National Union of Seamen, although the ACAS says that at this stage the meetings are "exploratory."

The union has turned down the General Council of British Shipping's offer to increase average earnings to a limit of 30 per cent. above their July, 1974, level and is sticking rigidly to its demand for £40 for a 40-hour week. The employers' 30 per cent. offer would take a seamen's main basic rate to around £33 compared with the present £25.

According to the employers, after the consolidation of threshold payments, the offer would produce about £11 a week "new" money or 18.7 per cent. on a foreign-going rating's average earnings of £59 for about 67 hours a week.

Pay deal for pub managers

By Our Labour Staff

A PAY DEAL worth 22 per cent. including threshold money has been accepted by nearly 1,200 public house managers employed by Scottish and Newcastle Breweries.

The deal gives an across-the-board increase of £550 a year, and raises the minimum salary to £2,200.

Mr. Harry Shindler, national secretary of the National Association of Licensed House Managers, said the agreement was one of the largest pay rises negotiated in the brewing industry.

"Even allowing for the increase in accommodation deductions (increased by £52 a year), it is still far above the salary of £1,650 accepted by the Transport and General Workers Union for managers in the Midlands," he said.

The association is holding merger talks with several big unions.

Print sanctions 'threat to papers'

BY OUR LABOUR STAFF

INDUSTRIAL ACTION by the National Graphical Association in support of a pay claim was costing provincial newspapers around £1m. a week and putting the future of some papers in "serious jeopardy," the Newspaper Society said yesterday.

The action, including a ban on overtime and various forms of work-to-rule, which has been imposed for seven weeks, would "do nothing to forward the NGA's claim, a spokesman for the society said.

He pointed out that two print unions had already accepted the employers' pay offer of 32.5 per cent. plus other improvements, and a third had suspended action while conducting a ballot of members. But the NGA had continued with "pointless sanctions" while awaiting the members' ballot verdict, not expected before June 20.

A Peterborough publisher said yesterday he had had to postpone the planned launch of an evening newspaper because of an NGA protest about the introduction of new typesetting equipment, bought from the U.S. at a cost of £80,000.

The dispute involves 42 workers at Sharman and Company, which publishes four weekly papers in the area.

Mr. Patrick Sharman, group editorial director, said: "If we cannot use this up-to-date machinery, the viability of the whole company and 250 jobs will be in danger."

Mr. Ron Harris, national officer of the NGA, said the system would leave NGA members "with the crumbs of the operation. We recognise that this system has to come, but we want a proper national agreement as to how it is operated."

A dispute involving a branch chairman of the process workers union, SLADE, which stopped publication of the Liverpool Daily Post yesterday, has been settled.

Union backing for reporter

JOURNALISTS on the Evening Mail, Slough and Hounslow, have gone on strike over the dismissal of a reporter who refused to move from the newspaper's Staines office to its Hounslow office. This would have been her second move in a matter of weeks.

The 36 journalists, members of the National Union of Journalists, are supporting Miss Raewyn Turnock, 23, who is chairman of the NUJ chapel (office branch).

Production of the paper has continued during the dispute.

Unions may ban overtime

UNIONS ON Tyneside are to consider calling a general overtime ban to counter growing unemployment and short-time working.

Each of the 17 unions in the Tyneside Confederation of Shipbuilding and Engineering Unions is preparing a report on how its members are affected by the current recession. The reports will be considered by a special committee which will then consider what action should be taken.

Mr. George Arnold, the chairman, said that, if necessary, the confederation would call for an overtime ban and work-sharing schemes. It would also seek a meeting with Government Ministers and employers. "Unemployment is soaring and we are heading for the worst situation in the past 20 years unless action is taken," Mr. Arnold said.

Although the unemployment rate in the Northern region is not rising quite so rapidly as the national rate, it now stands at 5.4 per cent. Short time working rose from 5,000 to 12,000 between April and May.

PROBE INTO LOSS OF FISHING BOAT

An inquiry into the loss of the fishing boat Trident will be held in Aberdeen by the Department of Trade on June 17 and is expected to last at least nine days.

The Trident disappeared with its crew of seven in heavy weather about 10 miles off Duncansby Head near the Pentland Firth on October 3, last year.

APPOINTMENTS

REFERENDUM

We can stand on our own feet, says Shore

BY PHILIP RAWSTORNE

THE COMMON MARKET vote would be a test of the British people's nerve and self-confidence, Mr. Peter Shore, Secretary for Trade, said at an anti-Market meeting in Swansea last night.

What the British people needed now was not the crutch or discipline of the EEC, but a sturdy reassertion of their ability *to stand on their own feet, he* declared.

He told the meting: "The vote on June 5 will be not only a judgment by the British people on the Common Market. It will be the judgment of the British on themselves.

"Few in Britain now have any illusions about Common Market membership. There is no enthusiasm whatever for this enterprise. Indeed how could it be otherwise.

"For membership has brought about a disastrous deficit in our trade: an invasion of our home market by goods imported from the Continent; an enormous increase in the food bills of the housewife and the nation alike.

"We have had a fall in industrial investment at home and a sharp increase in investment by British firms on the other side of the Channel.

"But there is far more to it than that. The British feel that the European Common Market is not for them. And yet they hesitate and falter."

Mr. Shore said our nerve was being tested. The advocates of membership were saying, insistently and insidiously, that we were finished as a country; that the long and famous story of the British nation and people has ended; that we are now so weak and powerless that we must accept terms and conditions, penalties and limitations, almost as though we had suffered defeat in war.

"So the question comes to this," he said. "Have we so abandoned confidence in ourselves and hope in our future that we are ready to submit to the presumptuous powers of the Brussels authorities, to surrender to them not just our legitimate economic interests, but the basic right of our Parliament and people to decide the policies, to make the laws and levy the taxes in our land?

"I do not believe that we are ready for such a surrender, for *such a betrayal. We are no more* ready for this than the 3m. British people in New Zealand, or the 14m. people in Australia, or the 22m. in Canada or, for that mater, even the smallest or poorest member of the 32-nation Commonwealth."

He anded: "What we need now is neither the crutch nor the disciplines of the Common Market, but a re-awakening of our own energies, a re-discovery of our basic national unity, a sober recognition of what we have already achieved and what we have to offer: a sturdy assertion not of dominion over others, but of our own ability to stand on our own two feet and to survive and prosper."

Mr. Ian Mikardo, Labour MP for Bethnal Green and Bow, told a meeting in Southport: "It's a strange and unattractive doctrine which has led two of our pro-Market Ministers to announce that if there's a "no" vote in the referendum they will leave the Government.

"It is true, of course, that there have been many occasions when a Minister has left the Government, and when a potential Minister has given up the chance of becoming a Minister, because he disagrees with the Government.

"But this is the first time anyone has threatened to resign from office because he disagrees with the nation.

"Those two Ministers were candidates at the General Election and none of the candidates last October asked people to vote for him to keep Britain in the Market or get Britain out of it—they all asked for support for a whole range of policies designed to help the nation on a whole range of problems—peace and prosperity, health and housing, economics and education and employment, and many others.

"Those duties remian. Whether the referendum decides yes or no, there will still be many serious tasks for us to tackle, and it's the duty of every one of us to tackle them, not go off in a sulk because the nation disagrees with us."

Mr. Brian Sedgmore, another Left-wing Labour MP told a meeting at Royston, Herts: "Tony Benn is right."

"We are losing almost 500,000 jobs to the Common Market—mainly in cars, textiles, steel, *chemicals and other* manufacturing industries."

Mr. Sedgemore, MP for Luton West said arguments against Mr. Benn's claim had only been produced because the Minister had blown the pro-Common Market case to smithereens.

He said he had checked Mr. Benn's figures with civil servants and a couple of the country's most distinguished economists.

"They say the figures are broadly correct. They add that the Minister was slightly in error in saying that we have 'already lost' 500,000 jobs.

"The real position is worse, in that what the figures show is that we 'are losing' 500,000 jobs to the Common Market. Much of the unemployment is still to come. Impending lay-offs at Vauxhall in my own constituency are one example.

"In these circumstances, I call on pro-Common Market fanatics either to produce serious arguments against the figures or to shut up and accept the truth."

Blows and insults at Heath meeting

By Richard Evans in Lancaster

A STUNNED Conservative audience saw a man bundled out of Mr. Edward Heath's referendum meeting in Lancaster town hall yesterday after he had slapped a woman hard across the face.

The incident happened when a middle-aged man went to the front of the hall after Mr. Heath's speech to ask a question. He accused the former Conservative leader of being "the biggest traitor this country has even seen" and asked what was the difference between him and William Joyce (Lord Haw-Haw).

Mr. Heath sat impassively on the platform but a woman member of the audience approached the man to protest. She slapped him hard across the face.

He immediately struck her back with an equally hard slap on the cheek, and was pounced on by two stewards and bundled out of the hall to a chorus of boos.

Outside, the man said he was Mr. William Bucklitch, chairman of the Blackpool Get Britain Out Campaign.

Mr. Heath's only comment was "That is the sort of person we have to deal with in this campaign."

***Apart from the incident*, the Conservative rally, one of a series in a punishing schedule for Mr. Heath, went off well. There was spasmodic heckling but, in general, the former Tory leader received an enthusiastic reception.**

Leading the "antis" campaign. Tory MP Mr. Neil Marten with Mr. Leo Price, QC, at yesterday's London Press conference.

Benn jobs loss claim is 'mad mathematics'-Heath

BY RICHARD EVANS, LOBBY CORRESPONDENT

MR. EDWARD HEATH yesterday backed the protests against *Mr. Anthony Wedgwood Benn's* claim that Common Market membership had cost the U.K. 500,000 jobs by accusing the Industry Secretary of "crooked calculations."

The former Conservative leader deliberately set out to demolish Mr. Benn's claim which pro-Marketeers realise could be highly damaging to their cause if it is allowed to go unchallenged.

Following the week-end denial by Mr. Denis Healey of the Benn claim, Mr. Heath said at a referendum rally in Lancaster that Mr. Benn's technique "was that of the big lie—the more often a claim was repeated the more likely people were to accept it.

"No wonder Mr. Benn's figures have already been repudiated by Mr. Wilson and Mr. Healey. They have access to all the relevant statistics," Mr. Heath argued. And no Conservative anti-Marketeers had come forward to support Mr. Benn "for his crooked calculations and his mad mathematics."

In Mr. Heath's view, a new element of hysteria was creeping into the anti-Marketeers' campaign, as it became more shrill, and Mr. Benn's allegation on jobs was the most bizarre aspect so far.

It was a "most extraordinary allegation" that had been significantly rounded off in very precise terms of 500,000 in order to grab every headline, Mr. Heath added.

Mr. Benn had said that people criticised his figures but no one challenged them. "Well, I challenge them here to-day because they are absolute nonsense. We have got more jobs by being in the European Community and if we seize the opportunity, we can get many more."

All Mr. Benn had done was to "produce a figure out of a hat and multiply it by three. If a *member of the Government* statistical service produced figures like that, he would be fired on the spot and no wonder."

Mr. Heath later addressed students at Lancaster University which has a notably Left-wing reputation. But, after a boisterous and cheerful welcome, he was heard in silence. It was the first of a series of campus meetings Mr. Heath has planned in the north of England this week.

John Hunt writes: Earlier, in a BBC Radio phone-in, Mr. Heath accused Mr. Benn of lying over the 500,000 jobs. In fact, added the former Tory leader, the big job loss would occur if Britain left the Market.

He compared Mr. Benn's technique to that of the European dictators in the 1930s who had repeated lies so often that people eventually believed they were the truth.

Mr. Heath also rejected Mr. Benn's claim that continued British membership would result in the loss of many white-collar jobs, some of them in the public sector.

"It is a most monstrous suggestion," he said. "Mr. Benn automatically takes the view that this country is going on getting weaker and weaker."

"I don't accept it. If we were to come out of the Market, then we really would be weakened. Our trade would be damaged and we would lose a lot of jobs."

Votes kneaded

MUFFINS marked "in" or "out" are to be baked in Manchester to provide a guide to the likely pattern of voting. The result of the "muffin poll" will be given 24 hours ahead of the national declaration on June 6.

Two baker brothers, Sam and Bill Ward, of North Manchester, claim sales of muffins produced in party colours of red, blue and yellow provided a guide within 0.1 per cent. accuracy of the actual swing at the time of the last General Election.

"Don't knows" are expected to buy ordinary muffins.

SNP challenge to George Thomson

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

THE SCOTTISH National Party yesterday claimed that a self-governing Scotland would have sought "very much stiffer and more favourable entry terms" than those secured by the renegotiation of Britain's membership of the EEC.

Mr. Douglas Crawford MP, said regional policy was the main area within which Scotland would have sought more concessions.

He challenged Mr. George Thomson, EEC Regional Commissioner, "to come clean on the restrictions which Common Market regional policy would place on the operations of the Scottish Development Agency."

He suggested the SDA—for which legislation s now passing through Parliament—would not be permitted total operating and financial autonomy as the main instrument of industrial regeneration in Scotland.

The Common Market placed a 30 per cent. limit on the proportion of the cost of new industrial ventures which could be met from Government funds.

The SNP was calling for an agency empowered to cover up to 50 per cent. of these costs.

The Common Market's non-discrimination rules might also restrict the SDA's role in ensuring that Scottish industry was *given a prior claim on ou* development contracts and public-authority contracts, both of which were likely to be prime sources of employment in the next ten years.

Pro-Marketeers, Mrs. Crawford said, were also perpetrating a "gigantic bluff" on the financial benefits available to Scotland from the EEC Regional Fund.

Compared with the present U.K. Government's regional aid of about £180m. in Scotland annually, the EEC fund would provide no more than £150m. over three years to Britain as a whole, of which Scotland might net a peak figure of £9m. a year.

Communities Act a 'coup d'etat'

PROMINENT ANTI-MARKET lawyers charged yesterday that the European Communities Act which took Britain into the Common Market was a "coup d'état" because it transferred powers from Westminster to what they called "the irresponsible organs of the Community."

Introducing a leaflet on The Common Market and the Threat to English Law at a National Referendum Campaign Press conference in London, Mr. Patrick Nield, QC, said *the brevity of* the Act was such as to prevent detailed discussion of the changes in law which it was designed to achieve.

"This was the most extraordinary misuse of Parliament in my lifetime," he added, "and perhaps for 300 years."

He said that Parliament had literally surrendered the right to make the law in many vital areas, and could not now make laws which were inconsistent with European law. In matters of European law, English courts *could be over-ruled by the European* Court of Justice.

'Yes' vote means more jobs—PM

BY JOHN HUNT

Expand

System

هكذا صدر الأصل

Upstairs downstairs

BY PHILIP RAWSTORNE

Upstairs for the pro-Marketeers . . . downstairs for the anti-Marketeers. The London hotel which houses the EEC campaign Press conferences shows a quaint appreciation of station—or perhaps purse.

But the campaigners on both sides responded yesterday with a similar concern for the accommodation of Britain inside or outside the Community.

Peering comfortably from Britain in Europe, Mr. Roy Jenkins saw no welcome awaiting the country outside. "The reality is that out of Europe we go not into the world, but into an old people's home for fading nations," he said emphatically.

Not even an agreeable old folks' home, he added. "I do not much like the look of some of the prospective wardens."

Insecure food and heating supplies . . . no money for renovations. Hardly a place which old friends would want to visit.

"And we would find it increasingly difficult to go and see them," said Mr. Jenkins. "Even if we got there, we might find ourselves greeted on the doorstep with more embarrassment than welcome."

Homely Lord Feather said he had heard the EEC described as a rich men's club. "I do not know about that," he said. "But it is not a bad working men's club."

Higher wages, more holidays, better pensions, greater social security. "We shall not get many of these improvements for years, that is for sure," he added hastily. "And we shall not get them just because we were in the EEC. We have got to work and think."

Lord Feather's thought was that the improvements might come a little quicker to Britain if we worked collectively within the Community rather than tried to go it alone.

With the symbolic doves fluttering around the platform, Britain in Europe's campaign builders appeared well satisfied with the case they had constructed.

Mr. Jenkins curtly dismissed more of Mr. Anthony Wedgwood Benn's attempts to shake it—and rather more testily rejected claims from the Workers' Press that the CIA was promoting the European cause.

Below stairs, the National Referendum Campaign's chairman, Mr. Neil Marten, brought in four distinguished, if less familiar, lawyers to demonstrate that whatever was being built in the EEC was undoubtedly undermining the constitution of the United Kingdom.

The precise Mr. Leolin Price, QC, said that after the "coup d'état" of the European Communities Act, Britain's democratic process and system of law had given way to "hole-in-the-corner politics" and "backstairs intrigue" in Brussels.

Dusting down such legal corners as the Internationale-Handelsgesellschaft case, Mr. F. P. Neill, QC, revealed that the very foundations of parliamentary Government had been subverted.

What is more, the Council of Ministers had already authorised Commission officials to enter and search British homes and offices.

Not that anyone had yet done so. "But to assume that they never will ignores the whole history of letting government have excessive powers," said Mr. William Pickles.

"Do not accuse us of scare tactics because we point to powers which might be used," he added—before further ripples of apprehension spread from the platform about EEC plans for harmonising the pay rate of gas meter testers or for amending national history books.

Parliament would be powerless to resist such erosions, said Professor Kenneth Wedderburn.

British sovereignty would be unable, like Elizabeth I, to "pour full scorn on any princes of Europe." The one undeniable right left to us was to leave the Community.

Jenkins widens Cabinet split with attack on Benn

BY IAN DAVIDSON

THE SPLIT between the pro- and anti-Market members of the Cabinet widened yesterday when Mr. Roy Jenkins, Home Secretary, attacked Mr. Anthony Wedgwood Benn, Industry Secretary, for his claim that British membership of the Community had cost 500,000 jobs.

"I find it increasingly difficult to take Mr. Benn seriously as an economic Minister," Mr. Jenkins said at a Britain in Europe Press conference in London.

He derided "this technique by which you think of a number and then double it, and when it is challenged by the responsible authorities, as it has been by the Prime Minister and the Chancellor of the Exchequer, you either pretend it has not been challenged, or you think up some other claim."

"This is a ludicrous approach to a serious question," Mr. Jenkins said, adding that he was worried it might induce people not to take the jobs issue as seriously as they should.

The real cause of unemployment in the U.K., he argued, was not British membership of the Common Market, but the recession which has affected every developed country since the oil price increase, and exacerbated in Britain's case by inflation.

"There could be no worse body blow to employment prospects than a No vote," he concluded.

The disagreement between pro- and anti-Market Ministers is likely to come even more out into the open in the remaining days of the referendum campaign.

Now the Prime Minister has dropped the guidelines which prevented Cabinet Ministers from arguing against each other on the same platform, it is expected that a number of television debates between them will be staged next week.

Mr. Jenkins said yesterday that some "tentative arrangements" were being made.

Mr. Jenkins also dismissed the charge that the steel production restraints recently agreed by the European steel industries had been forced on the British Steel Corporation.

There had been no question of the Community forcing the British steel industry to do anything it did not want, he said.

Mr. Roy Jenkins . . . no longer able to take Benn seriously.

The allegation was "the flimsiest thing," and he compared it to "looking for hobgoblins under the bed."

Mr. Jenkins mocked the anti-Market slogan "Out of Europe and Into the World." "Never," he said, "has there been a more misleading slogan."

"The reality is that, out of Europe, we go not into the world but into an old people's home for fading nations, and I don't think it would be a comfortable or agreeable old people's home.

"I don't much like the look of some of the prospective wardens. I don't think the food or heating supplies would be very secure."

'Slithering'

For 300 years, he said, Britain had played a role in world affairs which had been remarkable in relation to its size and its resources.

"If we want to come out of Europe," he added, "for God's sake let us not pretend that it is a continuation of this tradition. It will be because we feel the world too much for us, and want to stop it and get off."

Lord Vic Feather countered the anti-Market charge that the Community was a rich man's club, by saying: "It's not a bad working man's club."

Pointing out that earnings, pensions and unemployment benefits were better in the Community, he said:—

"Don't let us preen ourselves about any supposed superiority here.

"The brutal fact is that 20 years ago we were at the top of the league in all these things, and now we're slithering about near the bottom."

Mrs. Janet Graham, chairman of the Housewives Trust, said that she preferred guaranteed supplies of food at stable prices, and she feared that if Britain left the Community "some of my larder shelves will be empty, and that food prices will rise even higher because of the law of supply and demand."

Drinks group plea to 55,000

By Kenneth Gooding

THE 55,000 employees of Allied Breweries have ben told by the Board it is in the interests of all those whose future is linked with the company that Britain should remain in the EEC.

Although the main activities of Allied are carried out within the U.K., its substantial exports and overseas interests "are of increasing importance to us. Our exports from here to the Community have doubled in the two years of our membership.

"To withdraw now would put at risk this trade and the employment which goes with it." the Allied statement says.

The Community has shown it can be flexible as, for example, on its agricultural policy and in the arrangements for access of Commonwealth sugar (which Allied uses in large quantities) on favourable terms, it is pointed out.

Benefits for coal if U.K. stays in

BY ARTHUR SMITH

MEMBERSHIP of the Common Market should aid the future development of the coal industry, according to the National Coal Board.

In a "factual assessment" of the impact of the EEC on the industry over the past two years, the Board says its experience in the Community has been to the benefit of British coal.

The NCB's views are contained in a pamphlet, called "Coal and Europe," which, according to a spokesman, was prepared at the end of last year and is not aimed at the referendum debate.

The document is being distributed within the industry and one area manager has so far requested additional copies to send to colliery workers.

"The coal industry in Britain, while contributing to Community funds by a levy on coal production, has been receiving financial aid in excess of this contribution," the NCB maintains.

Loans

Community loans normally covered up to 40 per cent. of selected colliery investment projects and the Board had submitted applications for lower interest rate loans for 20 pit schemes and powered supports.

"So far, over £65m., including about £28m. for the purchase of powered supports, has been borrowed at favourable interest rates which will save the Board approximately £8m. over the period of the loan. Many more applications are in the pipeline."

Britain's coal industry is the largest in the Community and is nearly equal to the rest put together, the pamphlet maintains. The policy of expanding coal output in this country had the further safeguard of being underpinned by Community policy.

"Our main coal export markets lie in the Community, especially in Germany and France. As a Community member, there can be no restrictions on the flow of our coal into other Community countries."

Robert Mauthner, Paris Correspondent, found in the West Midlands

A materialistic view of Europe

HAVING READ and heard about the dire economic situation in Britain, the newly-arrived observer from abroad was struck by the comparatively prosperous atmosphere of the region, traditionally more capable than most of riding out the storms of a recession. Each back-to-back terraced house seemed to have its own car in front of it and serious complaints about unemployment were rare, although short-time working has almost become the rule rather than the exception.

A fairly typical case was that of a lorry-driver who complained to Miss Betty Boothroyd, the pro-Market Labour MP for West Bromwich West, that he was working for only 40 hours of the week, instead of the 52 to which he was accustomed, which is probably excessive anyway under the European Community's regulations for the amount of time which lorry-drivers are allowed to spend behind the wheel.

The biggest surprise, however, for someone arriving fresh from the Continent was the entirely materialistic and chauvinistic attitude towards membership of the Common Market and the whole idea of European unity of people adopted on the shop-floor of factories. At the British Leyland-Rover plant in Solihull and in a medium-sized electro-plating factory in Walsall, many of the workers interviewed expressed truculent views of the kind: "We beat the Jerries during the war; why should we be crawling to them on our knees know?"

Given the amount of space devoted by the newspapers and the time devoted by television to the Common Market, I found a remarkable ignorance concerning what it was all about. Even more astonishing was the general refusal by most people to lay the blame for Britain's economic problems at their own door. Remarks such as, "We are taking all their exports so why are they refusing to take ours?" as if trading was some kind of philanthropic activity in which Britain was always the most generous of the partners, were frequently to be heard.

The women in the factories, with rare exceptions, were mostly convinced that Common Market membership was responsible for high food prices and the fact that they had been buying Community-subsidised sugar at lower than world prices seemed to have made little impression upon them.

When the issue of sovereignty was dismissed as not being of great importance, it was often done in an entirely negative way and not because people were positively in favour of a Europe in which nations had given up some of their national independence in order to act more effectively as a bloc. A sample of one typically trade union reaction in this category was as follows: "No British Government has ever been able to tell a factory what to do, so I can't see how we in Britain can be ruled by Brussels."

Others, who were in favour of staying in the Common Market, gave some very specific Midlands reasons for their opinions which were closely connected with the immigration problem. Staying in the Common Market would enable Britain to become part of "a big white bloc against Africa," one metal worker told me, while those who favoured introducing the referendum for other major issues often did so because it would enable them to participate in a decision on the immigration problem.

There was, it should be stressed, a definite generation gap in the views expressed, with those in their twenties and early thirties taking a much more positive, though not necessarily more enthusiastic line towards the Common Market.

The shop-floor, of course, does not make up the whole population but it is obviously a power to be reckoned with in the West Midlands where manufacturing industry is so predominant a part of the economy. Outside the factories, opinion was much more divided with businessmen in general, strongly in favour of staying in. In Walsall, for instance, the Chamber of Commerce, obtained a 98 per cent. affirmative vote to a questionnaire sent to their 1,100 members, mostly companies employing less than a 100, asking them whether Britain should remain a member of the Community. Mr. Colin Phipps, the Labour MP for Dudley West, obtained a similar result with his own questionnaire.

There can hardly be any doubt, too, that the West Midlands Britain in Europe umbrella organisation, which has appointed a marketing man, Mr. Frank Selkirk, as its full-time regional organiser, carries more clout than the rival Midlands Against the Common Market, if only because of its superior financial resources and more powerful backing from its national headquarters.

In spite of the frenzied activities of anti-Market trade unionists, the movement as a whole was only just beginning to make an impact when I visited the area. Mr. Enoch Powell, for instance, on his first return visit to his native region since he changed his parliamentary allegiance to Ulster, managed to draw only some 300 people to West Bromwich Town Hall on a Saturday afternoon and not a few of those were members of the National Front—a sorry harvest for the old spell-binder.

Apathy, except in those cases where people are goaded into expressing a definite opinion as in my tour of factories is widespread and some of the local Labour MPs are only too happy not to have to take sides publicly too often, for party political reasons. There can hardly be any doubt, in the opinion of most local observers, that the proportion of abstentions will be high.

A marvellously inconsequential Sunday morning conversation overheard in a rural pub West of Birmingham sums up my findings in the West Midlands. Amiable drunk: "Which way are you going to vote in the referendum, Mavis?"

Mavis: "I don't know. I have not had time to study it yet. All I'm waiting for is for someone to punch Harold Wilson on the nose. Please have mercy on the British-speaking (sic) people."

Mr. Jo Grimond, MP (Lib., Orkney and Shetland), Baroness Fisher, Mr. Michael Stewart, MP (Lab., Fulham), and Lord Home at a Birmingham Britain in Europe rally: the local pro-Market organisation carries more clout than the rival Midlands Against the Common Market, if only because of its superior financial resources.

Heffer query on Soames and Thomson

BY OUR LIVERPOOL CORRESPONDENT

THE LEFT-WING anti-Common Market MP Mr. Eric Heffer, speaking in his Liverpool Walton constituency yesterday questioned the role of the two British Commissioners in Brussels, Sir Christopher Soames and Mr. George Thomson in campaigning actively to keep Britain in Europe.

He said: "Both are civil servants of the Community yet both are participating in the referendum campaign as if they were not paid officials of the EEC. It is a remarkable situation.

"It is as if the City Solicitor of Liverpool, or some other great city, had decided to come out and actively and publicly campaign for one of the political parties fighting in a municipal election to control the city.

"Of it could be likened to the permanent secretary of one of our Government Ministries publicly campaigning against the views and attitudes of his Minister or even in support of the Government's views. This is unheard of in this country.

"We have always maintained the neutrality of civil servants, and this new development requires careful study.

"Could it be that this is to be the pattern of future politics in the EEC where full-time paid officials completely take over by constantly making political pronouncements and taking sides on issues?

"This, on top of their considerable powers to make Community laws, can surely be very serious indeed."

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● RETAILING

Fast checkout at point of sale

POINT OF SALE equipment that extends advanced electronic checkout capabilities to small and medium-sized supermarkets has been released by International Business Machines in the U.S.

Stores with annual sales ranging from $1 to $2m., for example, can use the new IBM 3660 key entry supermarket system to make customer checkout faster and more accurate, and at the same time improve stock management and efficiency. Larger stores can streamline their operations in much the same way by using IBM's scanner-based system that reads the grocery industry's Universal Product Code (UPC).

The new key entry system can track item movement by storing and automatically looking up prices for as many as 1,275 items. Each of these can be marked by the individual store with both the price and a product identification number, called a "velocity code."

Pricing

The code numbers along with corresponding pricing information are maintained by the system's in-store control unit. During checkout, the checker merely keys the code at the point of sale terminal. The item's price then is automatically retrieved from the controller, displayed at the terminal and printed on a sales receipt.

At the same time, the system can record the sale of each coded item providing information needed by store management for routine recording, inventory control, labour scheduling and sales analysis. The controller can provide automatic authorisation of payments by cheque.

Used with the 3660, the new key entry units enable supermarket firms to meet the varying requirements of different-sized outlets. As a smaller store's business increases, it could readily convert to the scanning system by installing its larger controller and scanning units. The two supermarket systems use the same point of sale terminal.

● METALWORKING

Automatics from U.S.

A RANGE of automatic and other machine tools made by Hardinge Brothers Inc., of Elmira, New York, U.S., is being marketed in the U.K. by Hardinge Machine Tools, Marsh Green Road, Exeter EX2 8PN (0392 51431), an associate of Sheepbridge Engineering. A number of these machines will be shown for the first time in Europe in Paris at the EMO Exhibition, June 17-26.

Direct programming which reduces setting-up and change-over time is a feature of the AHC automatic chucking machine. There are no cams, gears, tapes or punch cards—programming is carried out by finger pressure on the trip blocks that operate micro switches which control the carriage, cross slide, vertical slide, spindle speed, stop cycle, threading tool and deep hole drill, etc.

The machine is stated to be suitable for short, medium or long runs and to be capable of holding tolerances of ±0.0002 inch.

The company has developed a system known as the "Matched Pair," which it claims will reduce capital expenditure and increase production. By using an automatic such as the AHC for machining the first operation and the Model HSL lathe for the second operation precision turning, forming and finishing, the need to reset the automatic is eliminated.

The company says a machine minder can complete the component on the HSL within the auto cycle time. Working in unison the machines are capable of a total of 16 operations without resetting.

Cutting fluids

AN EIGHTH edition of the booklet "Talking about cutting fluids" has been published by Burmah-Castrol. It has been updated and includes a new section dealing with the treatment and disposal of tramp oil.

A new appendix classifies the lubricants recommended by the British Standards Institution under code BS5063 which covers most lubrication applications on machine tools.

Copies of the 96-page booklet are available at 75p post free from Burmah-Castrol Industrial, Industrial Lubricants Division, Burmah House, Pipers Way, Swindon, Wilts., SN3 1RE (0793 30151).

Fast cut on low power

FOR LOW horsepower vertical milling machines, Valenite-Modco (U.K.), 8, Parade Court, Marlow Road, Bourne End, Bucks, SL8 5SF, has introduced the Mini-Mill end-milling cutters. These use indexable carbide inserts that enable steel to be cut at 120 to 150 metre/minute—more than four times faster than conventional high-speed steel cutters, claims the company.

Depth and width of cut can be increased without stalling. For example, the company says a Mini-Mill step cutter will successfully cut 12 mm deep and 20 mm wide on a 1 hp machine.

Seven types are available—all are two-fluted and use pin-type inserts, square, triangular or round according to the type of cutter. Climb milling is recommended for all operations. Two-flute design means that only one insert is in the cut at any time when end milling. Each type is in two sizes, 25 and 38 mm cutting diameter, on a 25 mm diameter threaded shank.

Negative rake inserts are used for maximum economy in cutting steel, cast iron and harder materials. For aluminium and other soft materials positive/negative inserts can be used to give optimum chip control.

Reclaiming foundry sand

AUTOMATIC PLANT to reclaim resin-bonded foundry sand is being made in the U.K. by Newport Forge and Engineering, Bedwas, Gwent, under licence from SEGAB Engineering BV, of Doorn, Holland.

It is stated to produce clean, free-flowing sand from discarded resin-bonded moulds, and is available in two sizes operating at rates up to 8 or 12 tonnes/hour. Twin units, which double these outputs, are available.

The moulds are fed by skip or conveyor into the machine where vibratory action reduces them to individual sand grains, which are delivered to store by airslide and pneumatic conveyor. Dust fines and resin residue are removed from the plant and the airslide by a Newport reverse jet filter collector.

According to the company, which has a demonstration plant at Bedwas, the plant can be adapted to handle sands made with most bonding methods, including fluid sand, and for both ferrous and non-ferrous foundry applications.

● HANDLING

Automatic nickel feeder

FILLING AND topping-up a line of titanium anode baskets with nickel can be carried out automatically using a method developed by International Nickel, Thames House, Millbank, London SW1P 4QF (01-834 3888).

The device uses the easy-flow characteristics of the company's nickel pellets, and Inco says the feeder can be adapted to any type or size of plating installation, including existing plant. It is designed for low-cost construction in platers' own workshops and the cost of a unit to feed six anode baskets should not exceed £150. Indications on a prototype are that the feeder cuts labour costs by about a half.

Basically, the feeder comprises *a slightly sloping trough* connected to a simple commercial vibrator. Nickel pellets are gravity-fed into the trough where they are carried to a series of plastic feed tubes, each leading to an anode basket.

The design is such that each basket fills to the desired level until all are full—surplus pellets are then delivered through an overflow tube to a sealed collecting bin. The feed tubes are offset to one side of the square-section trough to allow pellets to by-pass *a full feed tube* (and hence a full basket). This enables the feeder to cope with the problem of varying rates of anode dissolution.

Nickel pellet level in a line of baskets can be maintained *without any human aid other* than periodic operation of the starter button after initial filling of the hopper.

Layout sketches of the device can be obtained from International Nickel.

Wire tying speeds baling

FOR AUTOMATIC vertical and horizontal baling machines made by Balpresco, 112, High Street, Thame, Oxon. OX9 3DZ (084 421 3782), the company has introduced a hand operated free standing machine which measures, cuts and loops wire to speed the bale tying process.

Using wire up to 9 gauge in coils, the company says the machine cuts the time needed for conventional bale tying by 95 per cent. It is stated to be suitable for use with any type of baling press.

Drum lift improved

CASCADE and the Mobil Oil Company have jointly developed a dual purpose turn-a-fork drum clamp attachment which does not require load contact pads, yet resists drum crushing. This is achieved by increasing the clamping area proportional to the pressure required for safe handling. The unit equipment is now standard in the Cascade range.

The attachment has forks which rotate to become arms and can therefore be used for conventional pallet handling, or for clamping loads. Clamp lift capacity is 4,000 lbs at 24 inch load centre. There are side-shift and fork positioning features and all functions are controlled from the driver's cab, whether the truck *is in motion or stationary.*

The arm carrier slide bars are forged from high alloy steel with up-set bend, ensuring maximum strength at point of highest load and the use of clean, slender 3½ inch profile arms fitted with 10 inch faced drum shoes. These articulate to give an even pressure over the clamping area. Because of their low profile, order picking is simplified and the operator can skim the top row from a tightly packed rack, or split vertical stacks. There is a range of arms and shoes to suit varying loads.

Cascade (U.K.), 15, Orgreave Crescent Sheffield. Sheffield 297524.

This pedestal-mounted offshore crane has been built by Priestman Brothers, of Hull, for Conoco for the B.C. platform in the Viking gas field. It has a capacity *of 60 tons*, and has been constructed with a 100-foot tubular lattice jib. The company claims that the machine is a British first within the size range available in a platform crane. Built ahead of schedule in only 12 months from the date of order, it is due to be shipped to the platform soon.

● OFFICE EQUIPMENT

Powerful machine for the office

ANYONE ABLE to write down his problem on a piece of paper in normal algebraic form can program a pair of advanced desk-top machines just introduced into this country by Calcutronics International (Nig Banda) and made in Japan by Canon.

SX-100 can create programs directly from the keyboard and store them on magnetic cards: a card reader transfers programs or data from machine to card and vice versa. There are 20 data memories which can be extended to 100 by plug-in boards and the normal 200 program steps can similarly be increased to 1,000.

An integral thermal printer, virtually silent, works at about 20 cps on to 5 inch wide (48 digits) paper and there is also a 14 digit mantissa plus two digit exponent display in LED.

There are five principal blocks of keys: 15 scientific functions are provided, five of which can be customised so that additional functions are available at the touch of a key: the other blocks are for program control, program instructions, numerics and arithmetic functions.

For those who need it, the machine can offer conditional and unconditional branching in the programming, together with indirect memory addressing, memory splitting, symbolic addressing of subroutines and subroutine nesting up to two levels.

An enhanced version, the SX-300 uses a magnetic tape cartridge instead of the card. Thirty data memories is the minimum and this can be extended to no less than 500. The number of program steps is 500, extendable to 4,000. Twenty-six of the keys become the letters of the alphabet if needed so that the printer then becomes a typewriter. The machine, in common with the 300 can also make up tables, plot graphs and draw histograms. Prices range from £1,500 to £1,950.

As this kind of machine becomes more powerful and versatile it becomes increasingly difficult to differentiate it from "the computer." It can now tackle a very wide range of problems, and even restraints due to memory capacity are becoming less marked.

For example, Calcutronics claims that for payrolls up to a few thousand, tax tables can be thrown away. With tax office data on one set of (three or four) magnetic cards, plus one card per employee pushed through the card reader slot every week/month, the problem is all but solved.

Calcutronics is at 403, Edgware Road, London, NW9 0JA (01 205 6056).

● DATA PROCESSING

Intelligent COM service launched

NEW, FLEXIBLE computer output on microfilm services are available to the bureau and facilities management clients of Financial Data Services thanks to the FDS installation of the latest Datagraphix Model 4550 COM recorder—with integral computing capacity—the first "intelligent" COM recorder of its type to be operational in the United Kingdom.

Clients' computer print tapes, from practically all types of computer, can be accepted by FDS and used immediately to produce microfiche or microfilm output. This is achieved without the need for the tape re-formatting normally required for COM production on recorders without in-built computing capacity.

The development of FDS services represents significant economies in clients' valuable computer time—whether in-house or bureau based—and in the programming effort previously required to generate software for the adaptation of line-printer programmes to COM tape production.

In addition it means that FDS clients have immediate access to the benefits of COM, without the *delays or the costs that conversion from paper to film output* can sometimes involve. All of the implementation is in fact removed from the client and is undertaken by the support services of FDS.

This effort is reduced to the minimum. The output management facilities provided by the Datagraphix 4550's integral mini-computer, allow an initial run of direct COM production from computer generated print-tape within as little as 60 minutes of receipt. All that FDS now require is an accurate description of clients' tapes and a specification of the COM *format and presentation* required. The 4550 operator simply encodes these parameters on the recorder's mini-computer input keyboard, for storage on the unit's magnetic diskettes. The client's print-tape can then be run.

Formatting and information management instructions—stored on floppy discs—automatically combine with the print-tape information to produce the required COM presentation. This includes all titling and indexing necessary for fast and accurate information retrieval from 16mm. roll to 1m or 105mm. microfiche output.

The inherent high speed of COM output and the simplicity and rapidity of implementation now possible at FDS means that with minimum effort or delay, possible COM applications can be appraised, simply by running existing print file data. Amendments to existing COM applications are quickly achieved by re-specifying input parameters on *the diskette storage unit.*

FDS, Salem Road, London, W.2. (01-229 9431).

● ELECTRONICS

Amplifier package

APPLICATIONS ranging from high quality audio circuits to instrumentation, computing and allied fields are possible with the ZN424 gated linear amplifier from Ferranti.

Supplied in 14 pin dual-in-line or 8 pin TO-99 can, the unit has a class A output, very low open loop distortion and low noise. In addition, the gating facility coupled with the ability to operate at TTL voltage levels makes the device suitable for applications in instrumentation, DP and optical encoding.

Open-loop gain is about 86 dB and the maximum output swing is ±11 V with a 0.1 microsecond closed-loop rise time. Current drive-ability for logic gates is provided and a rising edge slew rate of 100 V per microsecond ensures good definition in digital applications. A data sheet is available from Ferranti at Gem Mill, Chadderton, Oldham, Lancs. OL9 8NP (061-624 0515).

● By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.

● PRODUCTS

Adhesive labels

U.K. MARKET for stock self-adhesive computer labels is estimated to be worth nearly £2m./year with an annual growth rate of about 20 per cent. in *real terms, according to a* market research project carried out by Avery Label Systems, Gardner Road, Maidenhead, Berks. (0628 34445).

Increases in both EDP printer speeds and web sizes have brought changes in label sizes, as well as making it necessary to alter the specification of the backing paper. These high speed machines cause conventional backing papers to refold inconsistently and give problems with the bursting of sprocket holes, says Avery.

As a result of joint research with the base material company a strengthened backing paper has been developed and is now standard on all Avery stock and custom-made Tabulabels.

Most popular use is as an *address label, probably some 80* per cent. of the U.K. stock computer labels, but there is an increasing use for order picking, inventory control and various financial applications, and the company is producing web widths to meet this.

Low noise compressor

STATED TO be much quieter than conventional machines, an oil-free compressor has been introduced by Dawson McDonald and Dawson, Compton Works, Ashbourne, Derbys., DE6 1DB *(0335 3184)*.

It is built directly on to a split phase BS 170 motor, or alternatively a permanent capacity motor can be incorporated where compliance with BS 4199 is required. Output pressures up to about 20 psi and a swept volume of 0.75 cfm are available.

Suggested applications are in hospitals and laboratories where it is essential to avoid excessive noise.

هكذا من الأصل

The Executive's World

EDITED BY JAMES ENSOR

Spirella bucks the textile cycle

BY RHYS DAVID

IN THE middle of the most widespread textile recession since the war, Spirella, the household textiles, fashion fabrics and foundation garments group, has been proving itself something of an exception to the more general pattern of falling profits and gloomy prospects.

For as the company's recently published results show Spirella seems to have found a way to buck the textile cycle. In 1974 as in every other year since 1969 both group sales and profits increased. Furthermore this performance was repeated throughout the company with each of the five operating divisions increasing its profit in 1974 over the previous year. And although predictions for 1975 are bound to be more hazardous than for any earlier year the company is not unhappy at the way trade has been going in the first few months.

The company has not escaped the need to cut back on its labour force entirely, and anounced only last month that one of its mills near Manchester would be closing with the loss of 100 jobs. But again very much against current trends the company has also been managing to roll back a little of the imports tide which has been threatening to engulf some textile sectors.

Its success against imports has come in the towel field—a sector which Spirella helped to re-organise with Industrial Reorganisation Corporation financial assistance in the late 1960s. The trade, largely concentrated in Bolton was then in a highly fragmented state and wilting before the competition from India, other low-cost producers and the U.S.

Negotiations

To-day the various Spirella towel companies, which include names like Horrockses and Dorcas, hold an estimated one third of the U.K. towel market and have replaced some of the higher quality imports which Marks and Spencer felt obliged to bring in from the U.S. at the start of its move into household textiles. Spirella now supplies the bulk of the towels stocked by Marks and Spencer, and as well as replacing U.S. imported towels is currently involved in negotiations which it hopes could lead to substantial outlets being opened up for towels in the U.S.

This record of success owes much to the efforts of Mr. Davoud Alliance, the Iranian joint managing director of Spirella who has managed to combine a flair in financial dealings with the equally important feeling for cloth and design. Alliance took over Spirella, then largely a foundation garments group, in the late 1960s and merged it with the feshion textile interests he had built up with Jack Menaged, the other joint managing director at Spirella. Alliance's own separate household textiles interests were added later and other companies in the same field acquired later with the help of IRC funds.

Mr. Davoud Alliance, and Spirella's record

£000's	1969	1970	1971	1972	1973	1974
Group sales	8,495	14,073	19,329	20,438	25,755	29,393
Pre-tax profit	365	628	878	1,163	1,709	2,028
Return on capital %	12.5	10.8	12.0	15.6	18.9	23.5
Earnings per share	2.9p	3.8p	5.7p	7p	8.7p	8.8p

But the group, which still derives a substantial part of its profit from its made to measure and ready made foundation garments operations, stands apart from other Lancashire-based concerns not only in the way it has been built up but in the way it is run. The head office on top of the Bank of England building in Manchester is away from any of the company's factories though there is a permanent reminder of the Lancashire industrial landscape in the shape of the four L. S. Lowry paintings in Alliance's office. Apart from Alliance and Menaged there are only nine other people in the head office, including the chauffe r and secretary, and the main Board is itself only five strong.

Philosophy

The company's philosophy is to let the operating units get on with the job but behind this apparently easy-going approach is a tight system of financial control. The centres must report once a week on certain items on their balance sheet and once a month on a fuller list. Another link is maintained through board meetings which travel around the various companies.

The theme running throughout the operation is one of trying to minimise the effect of the textile cycle and to make sure as far as possible that the company is not swinging with the pendulum. At a time of upswing there is the danger of falling for the temptation to sell in the best market and to let existing customers down, putting their loyalty at risk when trade turns down. Spirella has concentrated instead, company executives claim, on building up its relationship with large multiple retailers who can offer continuity of demand. Similar continuity is expected from suppliers. The company has been criticised in Lancashire for switching to a Portuguese source for some of the cotton yarn it uses but it points out that a main supplier in the U.K. cut it off during the boom last year.

The other essential according to Alliance is to plan ahead during a boom and to be ready with a few rabbits to pull from the hat when recession comes as it inevitably will. In the present downturn the company's new higher quality towels are proving to be one standby but buoyant demand is also being experienced for a new American quality of sheet, known as Percale, which is being imported under an agreement with Lowenstein, one of the leading U.S. textile companies. Again, however, production of Percale sheets is being built up in the U.K. under licence and it is hoped these will also eventually replace imports.

Another rabbit which the company is only now pulling out of the hat but on which it places very high hopes is in the textile machinery field. British Northrop—a loss-making loom builder when Alliance acquired a majority interest in 1972—has recently completed trials of a new machine which will enable terry towelling to be produced both more economically and with improved characterestics. Spirella is currently spending about £250,000 to instal six of the machines which will needle punch terry towelling into a woven base—a method of construction which the company believes will treble the life of towelling.

Spirella with its towels, and other sophisticated household textiles and fashion goods, has gone along the familiar path of specialisation to find itself a secure and profitable position within the textile chain.

Giving it to the workers

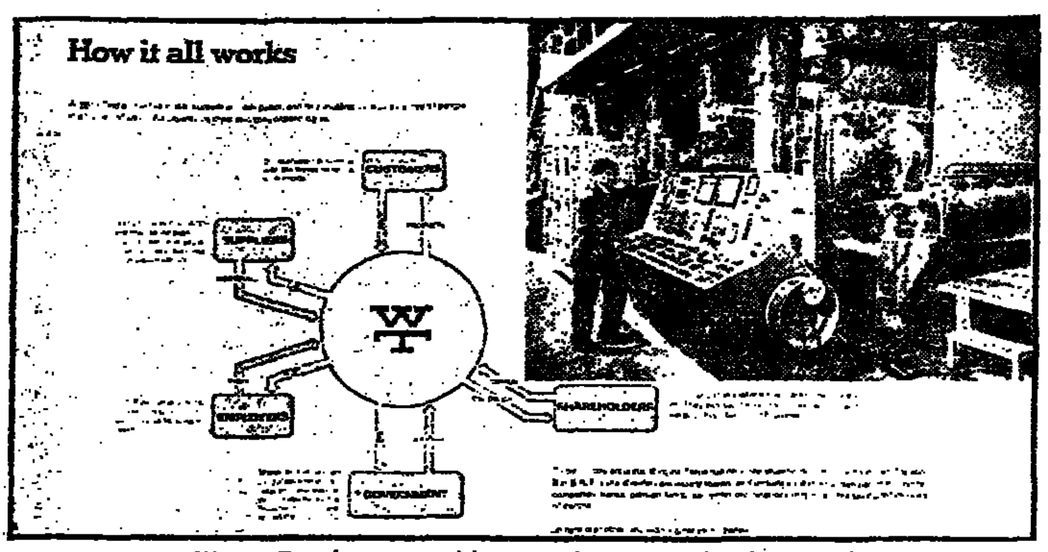
BY ROY LEVINE

THERE IS now a firm trend for U.K. companies to present to their employees specially prepared versions of the annual accounts. Those companies that are slow to follow this trend could face indirect penalties through worsening industrial relations or, when the economy picks up again, less successful recruiting.

As usual, it is the more progressive managements which have led the trend. But, given the tendency towards more openness to employees, in the office as well as on the factory floor, and the increasing efforts to explain the urgency of "profits," less progressive managements just cannot afford to be left behind.

The companies that have made the most impressive progress in this area are GKN, Plessey, Tube Investments, Imperial Tobacco, IPC, the Kent Group, Birds Eye and Goodyear Tyre. Grand Metropolitan has recently joined the bandwagon as has Wiggins Teape, the wholly owned subsidiary of British American Tobacco.

The Wiggins Teape report is a good effort because it explains in simple language what the group does and how it makes its profits. For instance, a simple diagram illustrates a break down of cost of sales, trading profits and how they were used — including how £11½m. was needed to cover the increased cost of running the business due to inflation: and the fact that £1.5m. had to be taken out of reserves to help pay the dividends.



Wiggins Teape's report explains in simple language what the group does

Positive

The group appears to have had a positive response to the report from its employees, although there was the inevitable apathy from some including the comment from one that the money would have been better used in the wage packets. (Hopefully, the management will explain to its employees that the £6,000 spent on the report means under 50p to each of the 12,650 U.K. employees.)

Part of the blame for the apathy, though, must rest on management's shoulders. If the idea behind reports for employees is to create more openness, then the employees should be consulted about what kind of information they want to see and how it should be presented.

At Wiggins Teape, a committee was set up to prepare the report which consisted of the secretary, financial director, personnel director, outside consultants and a public relations consultant. There was no consultation with the workers.

"We will judge their reactions from this year's exercise," was the comment from Mr. Sam Burroughs, the personnel director.

To some extent this attitude stems from the limited objective of the exercise. One of the reasons for compiling the report was to create more exposure for the company which had gone "private" when BATS acquired full control five years ago. So, at the same time that the employees were given their copies of the report, the management was briefing the local press in each of the group's locations. The combined effort has increased awareness of the group's presence and it is hoped one result will be a more effective recruiting programme.

Of course, that was by no means the sole aim of the exercise. In 1974 the group had presented its accounts on a broadsheet in the house magazine. "It looked second class and thus got second class treatment," recalls Mr. Burroughs.

The main aim is to educate employees about the facts of business. "There is generally a poor understanding about the role of money or a realisation that it is the Three M's—Men, Money and Materials—that make the wheels go round," says Mr. Burroughs.

In this dimension, explaining capitalism and the necessity for profits, Wiggins Teape is doing a good job as are the other companies listed above in presenting employees with special accounts about their companies. But there is a further dimension to the exercise and one that is at the root of the situation. Both the Industry Bill and the Employment Protection Bill seek to force companies to give more information to employees who are increasingly being seen, in a rapidly changing business climate, as one of the parties of "stakeholders" that make up the modern corporation. The reason for more disclosure is to allow employees to be consulted in a company's affairs and participate in the management of those affairs.

The management at Wiggins Teape recognise this but, like many other company managements, are reluctant to push the exercise too far. Better disclosure is seen as a precursor to improved consultations and, eventually, participation in management by employees. For over 25 years management at Wiggins Teape has been accustomed to telling worker representatives at some kind of works committees about the decisions it had already made. Now it is trying to update that form of consultation.

As Mr. Burroughs says: "We would like to see more discussion about the business function of the mill or factory, for example, the state of the order book or the plant capacity, discussion of management ratios, changes in manning or production techniques. By giving more information, the decisions are better understood and hence more acceptable."

Participation

At the same time, though, management does not want to "shoot over their heads so that we are not understood because our language is too technical." So, when the unit managers were given the reports to hand out to employees, they were also given briefing papers on how to answer any likely questions.

How far the firm will go in giving figures to employees and in providing a means of participation remains to be seen. There is doubt in the Boardroom that the workers are really ready for participation, even though the political pressures are building up.

One could argue that it is the hesitancy of Board directors to talk about those doubts that has encouraged legislation that could force them to share power.

If business leaders have not yet found the courage to speak out in favour of business, at least the corporate face of some of the large companies is beginning to promote the essential face of capitalism. For example, Shell recently had a campaign in the national Press showing that its average profit on a gallon of petrol was 1.38p and that that was used for reinvestment and to pay dividends to shareholders. Hopefully other groups will emulate that exercise.

Meanwhile, an increasing number of companies are joining the bandwagon and issuing special reports to employees—which at least goes part of the way.

The cost of the reports depends on how many are printed, the form the reports take and whether they are posted to employees at home—a process more and more companies are adopting. Costs do vary between £5,000 and £15,000 and the response from employees is invariably positive. At GKN, for example, 72 per cent. of all employees did read the report of which 78 per cent. said it was a good idea in a post-report survey.

One country that is certainly ahead of the U.K. in this exercise is Holland. As our correspondent there, Michael Van Os, reports, more than 65 major Dutch companies will be publishing a special report on 1974 results. While it is not compulsory, the 1971 Dutch law on staff and workers councils incorporated certain articles on what is called social reporting.

These articles state that the employer must enable the staff council to discuss the general situation of the company at least twice a year. Employers are compelled to make available to the council all information needed to fulfil its duties. They are also to be given, annually, details about policies on staff appointments, remuneration guidelines, training, promotion and redundancy.

Even before this law, the Dutch employers' association had prepared guidelines about social reporting. In a recent booklet, they recommended that all those companies now compelled by law to have staff councils—that is, those with more than 100 staff—should publish Social Annual Reports.

Even now the Social-Economic Council is preparing a recommendation on social reporting as part of companies' social policies, at the request of the Government.

Criticism

It is not only the Government that is applying the pressure. In an increasing number of collective wage agreements, there is a stipulation that companies publish SARs. The latest signed was for the building industry where some 250 companies will have to publish such reports next year. Companies in the metal industry report for the first time this year.

One of the most cogent comments on the trend was by Dr. A. W. van Ommeren, personal director for the Post Office Corporation, an advocate of the SAR. He criticised the trend for too many SAR's to supply information rather than to account for policies pursued. Most reports, he added, offered no link between social policies carried out in the past year and those of the future.

If that criticism rings true, at least there is one positive aspect of the bandwagon. As one employer warned, "Do not forget, once a social annual report has been published by a company, it is virtually impossible to cease publication — the employee becomes as entitled to his SAR as the shareholder to his annual report."

To those company chairmen who see that logic and want some guidance, the Confederation of British Industry has published a booklet called, "The Presentation of Company Accounts," which could be helpful.

BUSINESS PROBLEMS

BY OUR LEGAL STAFF

Landlord's liability to repair

With reference to your reply of April 23 headed Landlord's liability to repair, what is the position please regarding general repairs in the case of an oral tenancy granted prior to October 24, 1961?

As an oral tenancy must be for a term which is less than three years, the provisions of Section 32 of the Housing Act 1961 will apply to an oral tenancy granted since October 24, 1961. These make the landlord responsible for the repair of the structure and exterior of the dwelling-house, including drains, gutters and external pipes; and to keep in repair and proper working order the installations in the dwellinghouse for the supply of water, gas and electricity and for sanitation and for space heating and heating of water.

Manufacturers' compensation abroad

As an agency for Dutch, Italian and Swiss Manufacturers we discovered recently from our German counterpart that he is entitled to receive compensation upon retirement or closure of the manufacturer. Compensation is based on a figure of the best year's income of the last three years' representation. Now that we are members of the EEC are we covered by this law and how are we covered by with the Swiss law, being non EEC members?

The law to which you refer has no effect in England. If it is intended to bring English law into line with that of West Germany, or of any other EEC country, that will be effected by passing the necessary statute. English law is changed by the passing of an Act of Parliament and this applies whether or not the change is motivated by desire to conform to the law of other EEC countries, or indeed by a Community directive. The laws of each member country, and, of course of non-members, continue to apply within their respective jurisdictions, and there is no automatic application of the laws of one country in the jurisdiction of another.

Absence through illness

In the absence of any agreement to the contrary I have always understood that in the case of absence through illness of weekly paid staff, wages should not be stopped providing of course that a medical certificate is produced. Will you kindly confirm this?

Subject to any agreement which may exist with the union or unions of the employees, employers are free to make such contractual arrangements as they wish relating to pay during periods of sickness. Under the Contracts of Employment Act 1972 the note of the terms of a contract of employment which the employer is required to give to the employee should set out what terms as to sickness pay are included in the contract. There could, therefore, be a situation where the employer is not obliged to pay wages during a period of sickness, however short.

Unprotected tenants

I own a bed sitter house, in which I do not live myself. If I grant leases to different people who share a room, along with bathrooms, etc. shared by all tenants, is it correct that the occupant cannot apply for "fair" rents, or obtain security of tenure?

As the law stands at present it seems that leases of the kind which you envisage would be outside the protection of the Rent Acts.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

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WEDNESDAY, MAY 28, 1975

Helping the hard cases

THE announcement just made by the Greater London Council, that it is rapidly running out of money available for lending on mortgage to house-purchasers, is no more than one particular consequence of the *cuts in local authority capital* spending made by Mr. Crosland earlier in the month. The cut was originally to have been made in municipalisation programmes: when a number of local authorities protested that this would hamper plans which were already well under way, it was decided instead to cut *£100m. from their lending on* mortgage during the present financial year. Mr. Crosland suggested that the building societies, to which £100m. is a relatively small sum and which are at present attracting funds on a very large scale, would readily be able to make good the difference.

The matter, however, is not quite so straightforward as that. The GLC lent some £95m. on mortgage last year (out of a total of £455m. for all local authorities) and was therefore operating on a larger scale than all but the largest building societies. What is perhaps more to the immediate point, it advanced a considerable part of its £90m. on terms which building societies would not normally seek to match, either by making the whole purchase price of the property available as a loan or by lending on the security of a poorer type of property than building societies usually consider eligible.

Net inflow

There are, therefore, two different potential flaws in Mr. Crosland's argument that those who would otherwise have borrowed from the GLC can now borrow from a building society instead. The first consists in the *money available to building* societies. At present they are comfortably off for funds, but the position could change rapidly—if the new indexed Government savings schemes, to take but one example, prove attractive to pensioners and regular savers. Existing demand for building society mortgages is high: if the inflow of funds were to fall off for any reason, they would probably give preference to their traditional customers over those who would otherwise have borrowed from the local council.

There remains, in any case, a second flaw in the argument. The Building Societies Association, which was consulted only informally in advance about this new call on the resources of their members, has undertaken *that they will do their best.* It has even gone so far as to suggest that member societies might be ready, in some cases, to relax their usual rules about the type of property on which they are willing to lend—rules which are, in any case, highly flexible.

Topping up

But they have so far shown *no inclination* to relax their rules about personal qualifications for a mortgage loan—in particular, about the maximum size of advance permitted in relation to the borrower's income. These rules make social as well as commercial sense: there is a case for maintaining that people should not be allowed to incur larger obligations than they can afford. But, with the rapid disappearance of the private landlord, especially in London, people often have no choice but to assume larger obligations than they *would normally* be thought able to afford. There is at least a social case for allowing larger and longer mortgages than is the building society rule.

The building societies' proportion of bad debts as a proportion of total advances is minute; and indeed, anyone who buys a dilapidated property and gradually improves *it* by his own work is probably a far better risk than he is conventionally reckoned to be. But the building societies should be nudged gently rather than rapidly compelled to broaden their lending horizon. It would be far better if the Government and local authorities between them were to give more thought to the question of making the best possible use of the mortgage funds still available to the latter. One way would be to give all councils power to provide topping-up loans on top of those provided by building societies. Another, which might in fact cause a very small drain on public funds, would be a power to provide building societies with a guarantee on that portion of a particular mortgage loan which is in excess of what would normally be granted on commercial grounds.

With the Energy Agency meeting in Paris, Adrian Hamilton assesses the oil supply/demand outlook

Oil prices: a stalemate that cannot last much longer

SHELL, BP, Esso and other U.K. oil companies have finally been forced to reduce oil prices in Britain in the face of ever increasing competitive pressure from surplus supplies. Yet last week the Shah of Iran was warning confidently that crude oil prices would be raised by the producers when their current oil price freeze ends in September. Such is the contradictory and unique situation of the world's international oil trade to-day: and such is the confusing picture which confronts the consumers as they meet under the aegis of the International Energy Agency and the OECD in Paris this week.

World demand continues to fall in response to exceptionally mild weather over last winter, the impact of high oil prices on consumption rates and the prolonged economic depression which has hit western economies. World demand outside the Communist areas, which reached 47.6m. barrels per day *in 1973, fell to 46m. barrels per* day last year and, on current forecasts, looks like falling still further this year, not regaining its previous peak until 1976.

With a steady production of around 17m. barrels per day from non-OPEC sources, it is the major producers of OPEC, and particularly the Gulf States like Saudi Arabia, which have acted as the "swing" factor in this change in consumption. Buoyed up partly by massive restocking on the part of the oil companies, overall OPEC production last year was sustained at a level of around 30m. barrels per day. But this was still some 8m. to *9m. barrels per day below the* capacity of the producer countries, and nearly 3m. barrels per day below the peak OPEC output reached before the 1973-1974 embargoes and cut-backs.

As stocks have been run down again this spring, the slump in demand has been translated into an even more marked decline in crude oil production. OPEC output during the first quarter fell sharply to 26m. barrels per day.

Britain's delegation at the International Energy Agency's meeting in Paris yesterday: (centre) Mr. Leonard Williams, Deputy Secretary at the Department of Energy, and (right) Mr. James Callaghan, the Foreign Secretary.

Short-haul producers

The impact on the producers has undoubtedly been severe. First to be hit have been the "short-haul" and low-sulphur oil States such as Algeria, Libya and Abu Dhabi, whose prices have been traditionally high in comparison with their colleagues. Output in Abu Dhabi at one time plummeted to barely 1m. barrels per day compared to a producing capacity of nearer 2m. barrels per day, while Libya, with a theoretical producing capacity of around 3m. barrels per day, saw an average output of less than 1m. barrels per day during the first quarter. Prices inevitably suffered as the short-haul producers and even some of those not so badly affected reduced postings, increased credit terms, and made special, if discreet, deals. Now, as spring turns to summer, the continuing fall in demand for OPEC crude has started to bite into the production levels of some of the major lower-cost producers such as Saudi Arabia, Kuwait and Iran.

The producers have suffered from more than just a fall in *demand. Committed to a price* freeze over the first nine-months of this year, they have seen their revenues fall in real terms as the dollar's value in relation to other major currencies has slipped and as high inflation rates in the West, particularly on the capital goods and machinery which the producers import, have eaten into the *purchasing* power of their funds.

Yet if by all the ordinary rules of economics this pressure should have been enough to break the OPEC "cartel" and induce a round of competitive discounting amongst the producers, this has so far not happened. The degree to which the oil producers and particularly the major "swing" producers like Saudi Arabia have been able to absorb the drop in demand for oil may not have surprised Middle East experts, but has been far greater than can have been expected by those who forecast a price collapse. *Prices may have eased at the* edges and price competitiveness been restored to the market-place: but the fundamental price level as set by the Saudi Arabian "marker crude" has remained remarkably immune.

The point at which demand for oil drops below OPEC's requirements for income is anybody's guess, especially in the case of the "balancing wheel" countries like Saudi Arabia. But as long as that point is not reached, producers feel able to sustain prices: and their will to do so has only been increased by the failure of the consumers to get together with them to sort out some stable framework for the future.

OPEC has never been a cartel in the sense that its individual members have been sufficiently agreed on a production programme to ensure that supply never exceeds demand. *Nor* have the producers always agreed even on fundamental questions like pricing policy: Saudi Arabia has made clear its view, not so much that prices have moved too far, but they *have moved too fast;* and there has been only limited acceptance among the Gulf countries at the more radical ideas of Algeria in seeking redistribution of wealth between the developed and developing world through the medium of higher commodity prices.

But OPEC has had a unifying force in defence against outside pressures, at least in the determination of individual members not to undercut each other. As *the fruits of this solidarity have* been eaten away by inflation in the West and by the refusal of the consumers to settle on some system providing stability for the future, attitudes have undoubtedly been hardened among the major producers in favour of some unilateral move.

The Shah's statements in Washington and Paris last week on the need for a dramatic price rise to recoup the effects of inflation, were nothing new in Iranian terms. The Shah, who needs the revenue to finance his ambitious plans for internal industrial development, has long been the chief proponent of this view. But this time it does look as if his views are gaining support from previously more moderate countries such as Saudi Arabia.

How far the producers can pursue this line when they meet *in June and again in September,* and how far they will be under continuing pressure from the market at that time are questions partly dependent on the supply/demand picture. There are some, including most recently Sir Frank McFadzean of Shell, who argued that the bottom of the market has now been reached and that this summer and autumn will see the balance swing sharply back in favour of the producers. They point out that the current slump in demand for OPEC oil is caused largely by a dramatic run-down in stocks at the consumer end, to the extent of 4m. barrels per day, according to Sir Frank. This must, they argue, *reverse itself with a rebuilding* of stocks over the summer, with the added prospect that a revival of world economic growth during the autumn will increase demand still further.

FREE WORLD DEMAND/SUPPLY PATTERN

(m. barrels per day, quarterly rate or quarterly average: oil industry estimate)

	1974	1975 I	1975 II	1975 III	1975 IV	1976
Demand (excluding USSR etc.)	46	45	41	40	45	47
Stock change	+2	−2	?	?	?	+1
Non-OPEC supply*	18	17	17	17	17	18
Leaving OPEC to supply	30	26	24	23	28	30

** Including a net import of about 1m. barrels per day from Communist sources.*

If this picture is accepted, then it is possible to see an average stock build-up of up to 2m. barrels per day during the summer, coming on top of a consumption rising to 45m. barrels per day towards the autumn. This could in turn mean a requirement for OPEC oil swinging rapidly back up to the 30m. barrel per day level—more than enough to take up the previous slack and re-establish OPEC's position in the market.

The trouble with this argument *lies in* the basic assumption that a rapid rundown of stocks has been in progress and that these must be rebuilt over the rest of the summer. This assumption is undoubtedly partly true: refineries have been shut down in the face of low demand and their stocks used to supply demand. But there are also other factors. A substantial part of last year's excess supply went, not into consumer stocks, but into tankers slow-steaming around the world. As these tankers are taken out of service—and something like 25m. tons of the world's current tanker fleet are laid up at present—the effect is not so much to run down real stocks as to counter-*balance* the *extraordinary* situation of last year.

Stocks, at current rates of demand, could still be held at an adequate level without there being any need for rebuilding at all during the summer. This counter-argument is made stronger by doubts about any real revival in world economic growth until well into next year. This then implies that demand for OPEC production could slip *still* further this summer from an April level of around 25.8m. barrels per day to little more than 23m. barrels per day in the third quarter, and not recover last year's level until next year.

The problem for the consumer in either situation is that long-term estimates still show the world as dependent as ever on Middle East oil. If the past year or so has seen OPEC's position undermined by falling demand, it has equally seen the alternatives to Middle East oil grow more expensive and more distant. Consumer Governments, particularly in the U.S. where Project Independence seems to have failed at the first hurdle, have yet to come to grips either with reducing consumption through conservation or with developing alternatives to oil. Nuclear power, shale oil, natural gas and coal have all slipped *back, and exploration has yet to* produce any new source of oil outside the North Sea capable of taking up the increment in demand when it comes.

If the consumers do simply wait to see what happens this summer, they face the possibility that stock rebuilding and *economic revival* will put OPEC into an even stronger bargaining position that it is to-day.

The problem for the producers, however, is that if they attempt to take the initiative on prices they simply risk repeating the whole cycle of falling demand and economic instability which has hurt them so much in the last year and a half.

Premature meeting

In many ways these quandaries on both the producers' and consumers' part remain the same as they were last year when the producers agreed to a price freeze: and in many ways the two sides remain as uncertain in their approach as they were when the abortive and premature meeting between producers and consumers took place in Paris last month. Yet the summer is at least beginning to show a degree of decision on the political front.

After a year and half of coming to grips with the effects of their own past actions, the producers are serving fair warning that they will take matters into their own hands if nothing can be agreed with the consumers, even if they still seem undecided about how far to go. After a year and a half of divisions and confusion, the consumers are at last beginning to sense that the energy problems will not simply disappear because of rises in the general price level and falling demand, even if they remain far from agreed about how to tackle the problems of accommodating petro-dollar surpluses, indexing oil prices, and fixing other commodity prices. Dr. Kissinger's speech at the opening of the IEA yesterday in Paris gave little away, but it did embody the new feeling amongst even the most hard-line consumers that the producers will have to be met part of the way and that time is beginning to run against the consumer.

Whether this ends up in a grand meeting between all sides to decide on a stable structure for oil and other commodities, or whether it is left to the course of events and producer initiatives, is still difficult to predict at a time when the market place is no longer the decisive factor. But the present stalemate cannot last much longer.

Shifting balance in the Lebanon

THE resignation of the short-lived Lebanese military Cabinet and *the anticipated appointment* of Mr. Rashid Karami as Lebanon's new *Premier* may silence the guns of the Phalangists and the Palestinian commandos for the time being after the most serious civil strife since 1958 which has left several hundred dead and many more wounded. It will not, however, *necessarily restore the delicate* balance between the Christian and Moslem communities. Equally important in the wider perspective, the recall of Mr. Karami to lead the Government would represent a victory for the Palestinians and probably give them increased scope for manoeuvre in southern border areas, thereby increasing the chances of Israeli retaliation and heightened tension in the region.

Israeli incursions

One curious aspect of the recent series of clashes which started in mid-April is that they were not preceded by an Israeli military action. In the past political confrontation between the Maronite Christian right-wing represented at its most extreme by Mr. Pierre Gemayel's Phalange Party and the Palestinians, who are backed by a large part of the Moslem community and Mr. *Kamal Jumblatt, the left-wing* Druze leader, have been triggered off by Israeli attacks.

The semi-autonomous presence of Palestinian commandos on Lebanese soil and limited freedom of action was recognised by the "Cairo accords" of 1969 reached under pan-Arab auspices following the showdown between the Army and the guerillas in the autumn of that year. There then appeared to emerge a consensus among many Christians and Moslems, especially within the establishment, that the Lebanon's prosperity should not be left at the mercy of the Pales*tinians who have the power to* bring business activity to a halt and scare away the tourists.

Even so, a sizeable proportion of the Moslem population (as well as many of the younger generation of Christians) and the Left have continued to seek a stronger commitment to Arab nationalism and the Palestinians. At the same time Mr. Gemayel and his supporters have campaigned for the elimination of what they regard as the "state within the state" constituted by the commando movement because of the retaliatory Israeli raids provoked by it.

Bitter irony

The resignation of Brigadier Nurredin Rifai's Cabinet under the pressure of a united Moslem community, both Sunnis and Shiites, and—more worryingly—some heavy-handed Syrian diplomacy must be seen as a big reverse for the Phalangists. It could also spell the end of the political predominance of the Maronite Christians under the unwritten "National Covenant" under which the Presidency and the chief command of the Army have always gone to one of their number. With the situation still so fluid, it is too early to predict the political configuration which will result from the present crisis. Syria's vigorous intervention and espousal of the Palestinians suggest, however, that Lebanon may be forced into closer alignment with the "confrontation states" against Israel. With economic prosperity at stake, moderate Lebanese may rue the bitter irony that the Syrian Government has for its own convenience controlled tightly the liberty of Palestinians on its own territory.

MEN AND MATTERS

Boosey & Hawkes: the second time round

Last year's annual general meeting of Boosey and Hawkes saw some stirring resistance by shareholders and employees to the election as a director of a 72-year-old American, Frank Connor. *The show of hands* went against Connor but the poll reversed that, an inevitable result since the man in question was chairman of Carl Fisher Inc., which owns 49.2 per cent. of Boosey's shares. This year, at the Cafe Royal on June 18, there will be another dispute about electing a septuagenarian director. Not Connor this time, but Kenneth Pool.

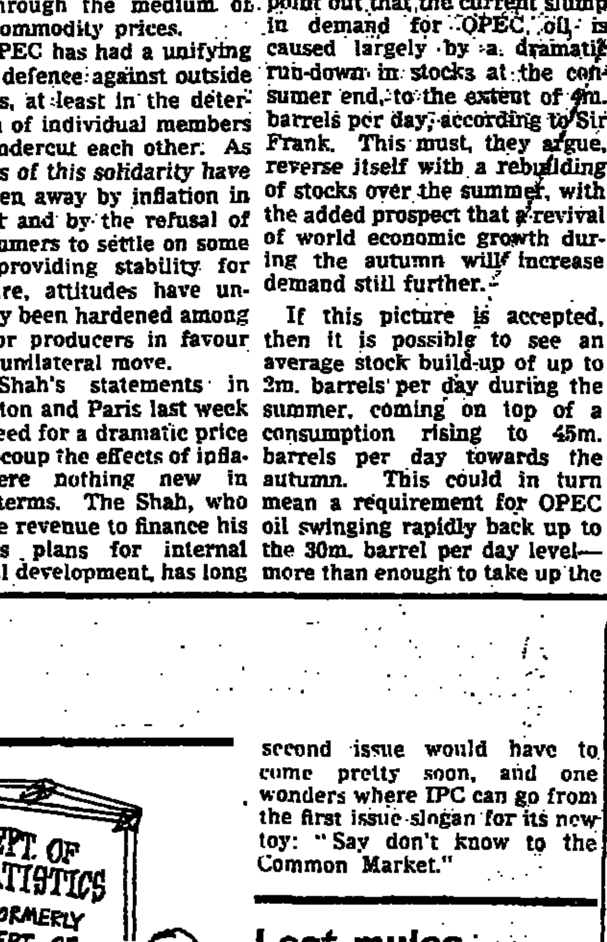
This time last year Pool was chairman. He speaks for around a fifth of the equity, being of the Hawkes family and had opposed the arrival on the Board not just of Connor but of two other Americans, the Fisher chairman's son and son-in-law.

Strife has not, however, interrupted money-making. Boosey has just reported profits up from £1.05m. to £1.52m. It reckons to have a unique position in the copyright side of the top end of music publishing (Stravinsky, Bartok, Britten, *Land of Hope and Glory*) and to be the joy of brass sections of guards, marines and Salvation Army bands the world over through its instrument makers at Edgware. The third arm, a joint company with Hammond Organ is, admittedly, a luxury which will not take kindly to tighter economic conditions and a 25 per cent. VAT rating.

But the general forecast is hat "the long-term prospects for the music business in the widest terms are very good." This comes from the new chairman, Hugh Barker, who used to run the Parkinson Cowan Group before selling out to Thorn. Backed by the Americans, Barker replaced Pool on the latter's 70th birthday last September. Pool did, however, remain as a director.

Since then the question of whether Pool should stand for re-election this year has come up. The rest of the Board apparently said they thought it was time for him to enjoy retirement. But with a shareholder already stating his intention to propose the re-election, Barker has sent out a stiff note: "Mr. Pool has been informed that it is not the wish of his colleagues on the Board that he should seek re-election, and that if he does so, none of them will support the resolution for his re-election. Your Board hoped that in these circumstances Mr. Pool would stand down. Regrettably, however, he has decided not to do so."

So we are back to last year's *position, though with Pool a dis*senting director this time rather than a dissenting chairman. Someone should write a song about it.



IPC's belly-laugh

From International Publishing Corporation, our biggest publisher with the *Daily Mirror, Daily Record, Sunday Mirror, Sunday People, Woman, Woman's Realm* and a host of other magazines and newspapers, on Friday comes *That'll Be the Day!* This "richly sardonic account of the world we live in" has been put together swiftly, by publishing standards, the idea having only come to John Sanders, editorial director of IPC's General Magazines Group, in March.

What we all wanted to do, he felt, was to laugh. The way to do that was through comic strips. The trouble with the underground press which did this was that "they seemed strongest in feminine malice and unreadable jargon," not the good "belly-laugh with a bit of salt in it" which IPC wanted.

These are noble sentiments, and anyone launching an adult no-advertising newspaper, even in strip form, must be brave or brilliant these days. IPC is aware of the pitfalls, saying the first issue, based on a Referendum theme, is only a trial run, with a print order of quarter of a million. No second issue is yet planned, though IPC talks of "other issues from time to time" if the idea catches on at 10p a copy. Clearly if it does, the second issue would have to come pretty soon, and one wonders where IPC can go from the first issue slogan for its new toy: "Say don't know to the Common Market."

Last mules

It is sad enough that the last mule will shortly leave the British Army. The 36 victims of defence cuts, plus three riding ponies, will be disbanded along with 414 Pack Transport Troop, part of the Hong Kong garrison and due to go next year. The beasts used to be thought of as indispensable transport units in rough country in the East and even in Hong Kong are useful for supplying the New Territories and the more rugged land toward the Chinese border.

They must, of course, go. But one suggestion for parting with them seems a particular come-down: that they should be donated to the Royal Hong Kong Jockey Club for its children's riding classes.

Catering for all traffic

There was a time before the sheikhs arrived on the scene when Italian counts were ten a *penny and only the* richest American heiresses could get a prince. Now I am sorry to see that the bill at the Villa Cortine Palace Hotel by the Lago di Garda comes "princes all included." Mind you, it also offers "old statues, secular trees, a view over the bleu water of the lake from everywhere" and, along with the "shower telephone," the advantage that it "lies on the rail and highway that link Milan and Venice."

Observer

SOCIETY TO-DAY

BY JOE ROGALY

The electoral message of Market research

ONE REASON—perhaps the overriding reason—why Britain is becoming more difficult to govern is that Parliament does not reflect the will of an increasingly volatile electorate, while Governments seem to reflect the will of the dominant faction of the ruling party and Cabinets all too often find themselves unable to exercise any authority over powerful interest groups, such as trade unions. There *does not seem to be much room* in all this for "the people"—by whom I mean the entire body of voters, and not simply the minorities (trade union members, workers in industry, anti-Marketeers, the middle classes) held dear by particular politicians when they equate their supporters or clientele with the populace as a whole.

Gulf

The most depressing measure of this widening gulf between those who seek to govern and those who are, after a fashion, governed, is the long-run trend of election results. Our "democracy" is now so imperfect that our Government has fallen into the hands of a party that at the last election failed to win the votes of even so few as three out of ten of the registered voters. The current ideology of this party is supported by an even smaller fraction of the population, as the polls show.

Wait a minute, it may be objected, what is meant by "as the polls show." Surely, it will be said, no argument that relies for its support on the evidence of sample surveys of public opinion can be taken seriously. After all, one is likely to be reminded, they get all the election forecasts wrong these days.

These objections have some force. Polls can be an unreliable indicator of public opinion, and it would be extremely unwise for Governments to design their policies to fit the results of individual surveys (although when it comes to presentation at election-time this is precisely what the political parties do). But my proposition is not that we should have Government-by-opinion-poll; heaven forbid. It is simply that poll results, taken as a conglomeration over the years, do constitute one piece of evidence towards the general assertion that the present electoral system is no longer working. If market research had no value at all it would not be possible to say even this much: fortunately the polls themselves will be tested on Thursday week. From their point of view the test is of tremendous importance—almost, one might say, a matter of life or death.

Until June 6 I shall continue to harbour the assumption that opinion surveys are not wholly worthless. If the vote in the referendum on the day before that turns out to be "yes" by a fairly comfortable majority this assumption will be carried forward, undisturbed. It could also be given just one further chance if the count turned out to match whatever is indicated by questions asked within a week of the voting—that is, over the forthcoming weekend; but it must be said that even if such last-minute polls do appear and do suggest a sudden change in public opinion at the eleventh hour the common-sense valuation of the profession as a whole will have to be reduced to something like "as worthless as makes no difference."

As for a surprise result, with the polls saying more or less what they are saying at the moment and the actual count registering "No"—well, in that case Messrs. Gallup, Louis Harris, National Opinion Polls and the rest might as well shut up shop. Market research as a whole would have suffered *damage that could be irreparable*; its practitioners' guesses as to which shape of marmalade jar would sell the most marmalade would be devalued along with political polls and all the rest of their works.

Margin

The accompanying table makes the point. Taking the average of all the main polls published just before each general election since 1959 (a number that has grown steadily over the years) the highest margin of error in predicting the popular vote was in 1970, when Labour's share was over-estimated by 4.4 per cent. In all other cases this averaged-out error has been comfortably under 3.0 per cent., and mostly much less than that; equally it is true that some individual polls have performed less well than the average. These figures refer, of course, to the popular vote. Since our electoral system has in recent years been transformed into a game of Russian roulette between the major parties, the winner in terms of seats has been devilishly difficult to get right: this is why extrapolations from votes into seats are of little or no value and are taken seriously only by people who have to produce television programmes on election nights.

THE POLLSTERS' ACCURACY

ELECTION		POPULAR VOTE (%)	POLLS' FORECAST* (%)	POLLS' ERROR (%)
1959	Con	48.8	48.3	0.5
	Lab	44.6	45.3	0.7
1964	Con	42.9	44.6	1.7
	Lab	44.8	46.5	1.7
1966	Con	41.4	41.1	0.3
	Lab	48.7	50.4	1.7
1970	Con	46.2	44.0	2.2
	Lab	43.8	48.2	4.4
1974 (Feb)	Con	38.8	38.4	0.4
	Lab	38.0	36.2	1.8
	Lib	19.8	22.4	2.6
1974 (Oct)	Con	36.7	34.1	2.6
	Lab	40.2	42.5	2.3
	Lib	18.8	19.5	0.7

* *Average of 2 polls in 1959, 3 in 1964 and 1966, 5 in 1970 and 6 in 1974.*

REFERENDUM POLLS

Poll	Gallup	Harris	Gallup
Sample	997	1,029	997
Published	May 18	May 19	May 22
Fieldwork	May 7-12	May 6-11	May 14-19
	%	%	%
Yes	60	64	61
No	29	24	29
Don't know	11	12	10

As far as elections are concerned, the rest of the argument is insignificant. Late swings, differential turnouts, and the like are essentially the raw material of technicians' arguments about matters of small importance. When it comes to the referendum the prospect is quite different. Here it is the popular vote—and only the popular vote—that counts. If that vote was divided by only a few percentage points (so that the headlines on the day could read, as is our British custom, "neck and neck") the market research merchants could survive an erroneous prediction, arguing that all was well within the known statistical margin of error.

Alas for their nerves, there is no such loophole this time. Taking an average of the last eight major polls, from the Harris Poll, whose fieldwork was completed on April 6, to the recent Gallup Poll (fieldwork May 14-19) the average "Yes" vote works out at 58.5 per cent., with the average "No" at 27.6 per cent. During this time the support for "Yes" has been increasing, according to the printouts, while the number of "Don't Knows" has shrunk from nearly a fifth of the respondents to as few as a tenth. None of the fractional margins of error experienced in *general elections* could explain an upset on June 6: if they are not more or less right about the referendum they cannot be right about anything.

Technique

Until there is such an upset it seems reasonable to accept the notion that, broadly speaking, the technique of the sample survey does have some use. Of course almost anyone could find *figures* to support an argument to the contrary: National Opinion Polls themselves reported in February that five different forms of the referendum question would produce five different results—from a 0.2 per cent. "No" majority for "Do you accept the Government's recommendation that the United Kingdom should come out of the Common Market?" to an 18.2 per cent. "Yes" majority for "Do you accept the *Government's recommendation* that the United Kingdom should stay in the Common Market?" It is also true that opinion is fickle over time, and undeniable that a positive Government lead does have an effect on some voters.

Even so, some indications from polls are so overwhelmingly in one direction that they ought to be taken seriously, at least for so long as there is any reason to accept sample surveys as a tool of social science. Last September, for instance, The Times published in some detail the result of an Opinion Research Centre poll showing that whereas in 1963 10 per cent. of respondents thought that "a lot more industries should be nationalised," in 1974 the figure was down to 6 per cent.: as for the *proposition* that "some of the industries that are nationalised should be denationalised" the positive response rose from 22 per cent. in 1963 to 36 per cent. in 1974. In the same poll it was found that 59 per cent. of respondents thought that trade unions had "too much power and influence over British companies."

Alternatively, you could take the National Opinion Poll of February, 1974, in which 42 *per cent. of respondents* answered "The trade unions" when asked "Who do you think is most to blame for Britain's economic problems?" and match it with the 46 per cent. recorded when the same question was asked a year later — a figure far outweighing the 18 per cent. who blamed the Government and the 10 per cent. who blamed employers.

I have, of course, selected polls showing a trend against the Left-wing of the Labour Party — I could have chosen Gallup's 75 per cent. in favour of capital punishment for terrorists and bombers (recorded when tension was at its worst, just before Christmas), or any one of a number of subjects, ranging from attitudes to abortion to the view held in Britain of the performance of President Ford.

These may be interesting, but they are beside the point. What is really important — and too much so to be the joke that some make of it — is that if there were a referendum about many of the far-Left policies favoured by that same Left-wing of the Labour Party that insisted on the present referendum on the Common Market, the likelihood is that such policies would be voted down by an overwhelming majority. Pandering to the trade unions and extending nationalisation are the policies of a minority of the minority, not of the people as a whole.

Utopian

To me the lesson is plain. The existing electoral system does not produce a Parliament that reflects the will of anything like the majority of the voters. As for giving the minority their own say while the majority governs—well, looked at from inside the present British arrangements that must be dismissed as a utopian dream of democracy.

The referendum result may drive this point home; if those who have united behind a "Yes" vote then had the vision to stay together and fight equally hard for electoral reform (some form of proportional representation and preferably the system known as the single transferable vote) then 1975 could, contrary to all expectations, be the year in which Britain took a turn for the better. I wished I believed that this could happen: meanwhile there is little option but to go on pointing out the very good reasons why it should be made to happen.

Letters to the Editor

EEC capital flows

From Mr. Peter Blaker. MP (C.) for Blackpool S.

Sir,—Mr. Richard Mayne (May 21) draws attention to some reasons to substantiate the claim by the U.K. Office of the Commission of the European Communities that, for 1973, "figures so far suggest a net inflow (of capital) into Britain from the rest of the Community and elsewhere." Your readers may be interested to know of a Parliamentary answer which I received a day earlier from the Department of Trade (Mr. Peter Shore's department) on the subject of net direct investment by Britain in the other member countries of the EEC in that year.

It read: "The value of U.K. net direct investment, other than oil, in the other eight member countries of the EEC in 1973 was £519m. Of this total, £144m. was financed from unremitted profits of subsidiaries and associates and £94m. by other non-cash transactions. Net overseas borrowing associated with this direct investment is estimated to have totalled £303m., giving a net inflow of £22m. to the U.K."

This makes it at the very least unlikely that there is any substance in the claim recently made by Mr. Anthony Wedgwood Benn, Mr. Jack Jones and other anti-Marketeers that, because U.K. net direct investment in the other member countries for 1973 amounted to about £500m., whereas net direct investment by the other countries in the U.K. amounted to only £100m., there was a massive "export of jobs" from the U.K. to the other members.

Moreover, net inward direct investment in this country from all areas amounted to £384m. in 1972, while the comparable figure for 1973 was £682m.

Peter Blaker.
House of Commons, London, S.W.1.

Sovereignty paradox

From Mr. Peter Maxwood

Sir,—Anti-Marketeers partly base their argument for taking Britain out of the EEC and rescinding a constitutionally valid Treaty on the grounds that membership undermines the sovereignty of Parliament.

Is there not an apparent paradox in that attitude? Have they forgotten that Parliament exercised its sovereign power by voting overwhelmingly to join the EEC? Are they not undermining that sovereignty which they presume to defend?

Peter Maxwood.
10, Hayesford Park Drive, Bromley, Kent.

Agriculture facts

From Mr. Humphrey Jowett.

Sir,—One of the main referendum issues to the man in the street appears to be the question of food costs and supplies, a subject on which there is a lot of misleading information being disseminated. Although it is said that there is no cheap food available at the moment, apart from Australian beef and the Common Market surpluses of wine, beef and wheat: agricultural exporting countries must continue to trade their products at *competitive prices. This must mean* a cheaper product to the consumer and, in the case of Canadian hard wheat and Australian wool, a better one.

What happened in the 1972-73 commodity boom was that other, wealthier countries out-bid Britain, resulting in imported food products becoming too expensive for the British market. This situation no longer applies, and the way to avoid a recurrence would be to draw up long-term contracts with suppliers which make allowance for any rises in the cost of production.

It appears that there is at the moment a serious attempt by commodity producers to stabilise *prices*. In the case of non-perishable products an organisation can be set up to store surpluses. But experience in the Common Market has shown that this cannot be done with perishable goods without very great expense. Long-term contracts must therefore be the answer.

Should Britain come out of the Common Market ample supplies of food could be obtained from traditional agricultural exporting countries and there would be immediate access to gluts of Australian beef as well as to the current surpluses within the Market which are not available to member countries.

H. Jowett.
Manor Farm, Newton Tony, Salisbury, Wilts.

Commission's side

From Mr. E. Finkle.

Sir,—Mr. Richard Mayne states that the role of the Commission of the European Communities, which he represents, is "not to take sides" in the referendum but "to provide facts."

The latter may be true; but I find it impossible to equate the impartial role Mr. Mayne claims with the fact that Mr. Jack Peel, a senior Brussels civil servant at Director level, participated in a BBC North television programme (May 22) as the spokesman for a pro-Market team in a discussion with anti-Marketeers led by a Get Britain Out representative.

Surely the "fact" is that the Commission of the European Communities is up to its neck in the pro-Market referendum campaign. By pretending that it is not it only casts doubts on its credibility.

Also raised is a question of principle regarding the desirability of non-elected civil servants who are responsible to the Commission and the Community as a whole rather than individual member countries, taking *part in political campaigns in* member countries. I think that this is a practice that will be regretted by the vast majority of U.K. citizens, irrespective of their views on the Common Market.

E. Finkle.
15, Moseley Wood Lane, Leeds 16, Yorkshire.

Keep to the issues

From the chairman, British Business for World Markets (Yorkshire group).

Sir,—As a member of the National Referendum Campaign, I was interested to read David Watt's assessment of the anti-Market campaign (May 23). Of course he is right when he highlights our lack of funds. He is right, too, when he says we lack well-known names, although I thought the debate was supposed to be about the issues rather than the personalities.

I would question whether Mrs. Shirley Williams and Mr. William Whitelaw are more "well liked" than Mrs. Barbara Castle and Mr. Enoch Powell. Moreover, Mr. Watt is mistaken in saying that Mr. Jack Jones was "not prepared to enrol" under Mr. Christopher Frere-Smith's "Get Britain Out" banner. Mr. Jones was a vice-chairman (along with Tory MP Dick Body) of that organisation before the formation of the NRC.

It is debatable whether the all-party approach of Britain in Europe is more effective — especially at national level—than the tendency among the anti-Marketeers to concentrate more on doing their own thing. Certainly the sight of "yesterday's men" in the form of Messrs. Heath, Jenkins and Thorpe emphasises that the "strange bedfellows" are by no means all on one side.

Then the undoubted authority with which the group of five dissenting Ministers speak has done much to encourage support of the anti-Marketeers within the Trade Unions and the Labour Party, where most, but by no means all, the "No" votes are to be won. Indeed, there are times when it appears that the whole EEC debate is confined to the Labour Party.

That this is not so is clearly evident at grass roots level where there is a great deal of co-operation between people of all parties and of none. Perhaps one of the most interesting aspects of the anti-Market campaign is the number of people involved in it who, like myself, have never before been actively engaged in political or public life.

The biggest mistake was to run the campaign under the National Referendum Campaign label (*which for the uninitiated* could just as well be pro-Market) rather than under the most populist title of Get Britain Out.

James Towler.
P.O. Box 8, Pudsey, Yorks.

Coalition for Europe

From Mr. E. W. Holland.

Sir,—It seems incredible that in an economic disaster situation such as ours, your usually sensible and extremely capable Mr. Gordon Tether should be puckishly using his intelligence to snipe at the pro-Marketeers in the guise of reproving both pro and anti for being too extreme.

It seems to me that what the anti-Marketeers lack in common sense they make up for in enthusiasm, while the pro-Marketeers, who have an almost indisputable case, appear to be completely lacking in fervour. If it did not spell disaster for so many of us, it might be a very good thing to allow the extreme Left minority in our society to persuade us to leave the EEC and to have a taste of the political communism which they apparently seek in action. There could be no finer medicine for curing their illusions of an equality which, much as many of us would like to see it exist, in reality has never existed in nature and never will until we can control genes and chromosomes. Unfortunately, such an experience might prove to be irreversible in the military state *which would follow, and the rest* of us do not desire to sample that particular medicine at all.

In the midst of such a cacophony, it is refreshing to hear at least one small voice of calm—that of Lord Shawcross—rising above the pettiness and uselessness of party doctrinaire delusions to suggest that we stop destroying our nation in stupid class warfare and bring our sick country back to health in Europe by building the same kind of united coalition as we did in 1940 to 1945 when we had a less deadly but more visible *enemy to fight*.

One would like to see our nation, with its great common sense, admit that Mr. Heath was right to seek to establish a prices and incomes policy with a serious attempt to quantify differentials. Mr. Heath should admit that he was wrong to ignore Mr. Thorpe's request for an alteration to our constitution to permit proportional representation, while Mr. Wilson is wrong to resist a coalition and even more wrong to give in to the power blocks in the unions that the turning Government into a puppet and which Mr. Heath resisted to the end. It is time to use the best in all three of these people, who serve us each as they think best. But there is not much time left.

E. W. Holland.
Rooms 313-314, Coopers Buildings, Church Street, Liverpool.

Blackout of democracy

From Mr. J. E. Strafford.

Sir,—It will be a tragedy for democracy if the Association of Cinematograph, Television and Allied Technicians continues to black out ITV programmes. At this critical moment in British history when the country is determining its future through the referendum on the Common Market it is essential that there is a full and wide-ranging debate giving the points of view of both sides.

Unfortunately, the Press, with the honourable exception of the *Financial Times*, has mainly put only one point of view. It has, *therefore, been left to radio and* television to fulfil the essential democratic role of ensuring that all arguments are heard. Should they not be, then many people will justifiably question the result of the referendum.

John E. Strafford.
Perama, Fulmer Road, Gerrards Cross, Bucks.

Indian doctors

From Mr S. K. Ghosh

Sir,—You report (May 23) that the General Medical Council has imposed restrictions on Indian doctors. No doubt some Indian doctors, like some British or other doctors, are not good enough. Some form of language test is desirable for all foreign doctors. Tests for professional competence can also be arranged for all medical personnel from overseas. But once a doctor has passed these tests there is no reason why he/she should not be allowed to practise here.

Taking the case of Indian doctors in particular, the General Medical Council ought to consider the contribution of many of them to the National Health Service. Not to have done that is not so much an act of discrimination but an expression of downright ingratitude.

S. K. Ghosh.
21, Woodfield Road, Peterborough.

Responsibility in Parliament

From Mr. P. Imeson.

Sir,—If the Government votes for no increase in Members' salaries, then my confidence in MPs would be somewhat restored, in view of the inflationary trend.

Am I wrong in expecting an example in principles and concern for the Nation's future from the leaders and would not other workers' sense of justice show a better reaction to the urgency of the situation?

A large increase in MPs' *salaries or expenses at this stage* would surely give the impression that the attitude to the critical position of the country is only treated frivolously by the present members of the House.

P. T. Imeson.
5, The Avenue, Sunbury-on-Thames, Middlesex.

To-day's Events

GENERAL

Organisation for Economic Co-operation and Development ministerial meeting will discuss renewal of trade restrictions pledge, Paris.

Prince Charles installed as Great Master of the Order of the Bath, by the Queen, Westminster Abbey.

Farm rent restrictions lifted.

EEC-Portugal joint committee on trade meets, Brussels.

World Aerospace and Air Defence Industries two-day conference, organised by the Financial Times, continues Hotel Meridien, Paris.

OFFICIAL STATISTICS

Bricks and cement production for April.

SPORT

Soccer: European Cup Final, Leeds United v Bayern Munich, Parc des Princes Stadium, Paris.

Golf: Walker Cup, Great Britain v. United States, St. Andrews.

COMPANY RESULTS

Dunhill (Alfred) (full year).
Bass Charrington (half year).
Marley (half year).

COMPANY MEETINGS

Australian Agricultural, Bucklersbury House, E.C., 11.
Baxter Fell, Waldorf Hotel, W.C., 12.
Boot (Henry), Sheffield, 12.
Bourne and Hollingsworth, 116, Oxford Street, W., 12.15.
Central Province Ceylon Tea, 38, Queen St., E.C., 12.
Chancery Consolidated, Manchester, 6.
Coral (J.), 30, Berekeley St., W., 11.30.
Edwards (Louis C.), Manchester, 9.30.
Elys (Wimbledon), Wimbledon, 6.
Fisher (James), Barrow-in-Furness, 12.
Green's Economiser, Connaught Rooms, W.C.
Haden Carrier, Tavistock Sq., W.C., 12.
Jessel Toynbee, 30, Cornhill, E.C., 3.30.
Leaderflush (Doors), Sandiacre, Nottingham, 12.
Martin-Black, Coatbridge, 12.30.
Pearl Assurance, High Holborn, W.C., 12.
Revertex, Harlow, 12.
Rowntree Mackintosh, York, 3.
Sharpe and Fisher, Cheltenham, 11.
Southern Constructions, Portsmouth, 11.30.
Stanwood Radio, Loughton, Essex, 12.
Thomson T-Line Caravans, Falkirk, 12.
Tilbury Contracting, 26, Finsbury Square, E.C., 12.

COMPANY NEWS + COMMENT

C. E. Heath earns and pays more

OPERATING PROFIT for the year to March 31, 1975 of C. E. Heath and Co. expanded from £2.79m. to £3.56m. When reporting the first half figure up from £0.79m. to £1.01m. the directors foreshadowed "a satisfactory increase" for the year.

Earnings per 20p share increased from 17.3p to 19.6p for the year and the net dividend is effectively raised from 5.613p to 6.102p with a final of 4.272p.

	1974-75 £000	1973-74 £000
Brokerage profit	6,525	5,019
Investment income, etc.	547	492
Expenses	4,979	3,851
Broking balance	2,093	1,650
Underwriting:		
Commission	425	630
Fees	1,153	773
Investment income, etc.	189	127
*Expenses**	736	552
Underwriting balance	1,031	978
Other investment income	134	163
Operating profit	3,558	2,791
Other income and exp.	†49	‡180
Profits before tax	3,509	2,951
Taxation	1,783	1,462
Minority interests	46	9
Available	1,680	1,480
Dividend	527	480
Retained	1,153	1,000

* Net of recoveries. † Debit—includes loss of £55,000 on disposal of investments an exchange loss of £55,000 on consolidation and interest paid of £59,000 against profits of associated companies applicable to the group holding of £120,000. ‡ Credit

● comment

Heath's figures are basically good. Although underwriting commission receivable, reflecting the 1972 Lloyd's account, is predictably down, this is more than compensated by a 49 per cent improvement in underwriting fees, particularly from Australia. This year income from the Lloyd's account may well *fall again*, but higher fees should offset the decline, leaving a performance better than *maintained overall*. Brokerage, meanwhile, put up an impressive 30 per cent growth, and expenses were held at around three-quarters of broking income. Gains were mainly recorded in areas outside North America, so the upsurge in business from the US, which started at the tail-end of the 1974-75 year, should mean that Heath is currently progressing very well. On the other hand, 1975-76 will bear the full interest on the £3m. borrowed to finance the Millbourn House purchase. Nevertheless, a useful advance in profits is expected this year, and at least Heath has overcome the traditional criticism of over-dependence on Lloyds underwriting. The shares, yielding 4.1 per cent at 230p are in line with the sector average.

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INDEX TO COMPANY HIGHLIGHTS

Moss Bros. down £47,127

After being down from £105,600 to £52,000 for the first nine months taxable profit of tailers, etc., **Moss Bros.** for the year to *January 31, 1975, showed a reduction* from £119,363 to £72,236.

The Board explain that the reason for the decline in profitability was higher operating expenses of which interest charges alone rose by £86,000.

A final dividend of 1p—there was no interim—stands against *last year's total of 4.116p*.

Tax takes £47,184 (£59,146) leaving the net balance down from £60,217 to £25,052.

Transparent Paper up £0.19m.

GROUP EARNINGS, before tax, of **Transparent Paper**, increased from £1.01m. to £1.2m. in the year to March 31, 1975, after £0.76m., against £0.3m., for the first half

A final dividend of 2.395p lifts the net total from 3.3875p to a maximum permitted 3.695p.

	1974-75 £	1973-74 £
Trading surplus	1,943,641	1,573,693
Depreciation	662,057	563,330
Earnings before tax	1,201,584	1,010,363
Taxation	597,774	464,870
Net earnings	603,810	545,493
Deb. redemption fund	4,030	4,320
Preference dividend	9,109	9,100
Ordinary	201,636	134,549
Forward	2,089,324	1,692,220

● comment

Transparent Paper's full-year pre-tax profits are 19 per cent. higher, but this takes in a 37 per cent. fall in the second half. The slump in the packaging industry, which hit the last quarter hard, is probably one of the worst ever and there seems no let-up yet. TP will be counting on exports to counteract the collapse of the U.K. market, but whether this can hold last year's figures during *1975-76 is open to question*. Exports were less than a fifth of sales last year, and European demand is still at a low ebb even if world-wide demand has improved. Meanwhile the company has still to complete the re-equipment programme which started two years ago. Last year, capital expenditure of £1½m. was *financed mainly out of cash flow*; the cash position at the beginning of the year of £382,000 became a marginal overdraft by the year end. However, commitments of a further £0.8m. to complete the programme this year may mean a running-up of debt. The shares lost 4p on the figures yesterday to 51p, where they yield 11.7 per cent.—getting on for double the packaging/paper average.

Peak £1.54m. by West Riding Worsted

After depreciation charges down *slightly at £743,435*, against £796,951, profit before tax of **West Riding Worsted and Woollen Mills** was a record £1,537,728 for 1974, compared with £1,468,825 the previous year.

The dividend for 1974 absorbs *£685,066 (£803,811)*.

The company is a subsidiary of Coats Patons.

	1974 £	1973 £
Turnover	36,232,007	35,171,495
Depreciation	743,435	796,951
Pre-tax profit	1,537,728	1,468,825
Tax	789,042	857,106
Net profit	748,686	611,725
Extraord. credits	—	259,186
Balance	748,686	870,911
Dividends	685,066	803,811

Crystalate losses

Manufacturers of electronic components and plastic mouldings, **Crystalate (Holdings)**, incurred a loss of £18,000, against a profit of £85,000, after a reduced tax credit of £16,000 (£21,000) for the year to September 30, 1974. Turnover increased from £2,219,000 to £2,531,000.

Sales for the six months to March 31, 1975, were £1,700,000 (£1,523,000), and there was a pre-tax loss of £6,000 (profit £23,000). The net loss was £6,000 (profit £28,000 including prior year's adjustment). Prospects for the second half are good with manufacturing capacity fully covered by orders, the directors state.

Brown Shipley improves

THE PROFITS of both banking and non-banking operations of **Brown Shipley Holdings** show an increase for the year ended March 31, 1975, and disclosed net profit of the group has risen 5.5 per cent from £1.18m. to £1.25m.

A final dividend of 3.9423p net effectively raises the total from 6.39125p to a maximum permitted, 6.9423p.

An extraordinary item of £342,000—profit on cancellation of loan stock—has been transferred direct to capital reserve.

	1974-75 £000	1973-74 £000
Banking profit*	831	821
Non-banking profit*	394	330
Net profit	1,225	1,180
Dividends	381	351
Forward	3,393	3,029

† After tax and transfer to inner reserves. *After tax of £451,000 (£417,000)

● comment

Brown Shipley appears to have come through the *1974 banking* scares more smoothly than a number of its rivals. The conservative virtues which may have made it look rather fuddy-duddy in boom times have left it in a comparatively strong position in more difficult conditions. Provisions against property lending, for instance, have been very small, and the corporate finance side is not large enough to have been a serious drain on costs. Elsewhere, there is a solid banking business—particularly in traditional areas like commodity finance—which should continue to allow steady, if unexciting, progress; the non-banking operations (mainly insurance broking) have also shown modest growth. The forthcoming accounts may give indications of the trend of deposits and the way in which the new head office has been taken into the balance sheet. Meanwhile the 6.1 per cent. yield at 178p is below the sector average.

Trevor Humphries

Sir Hugh Fraser, chairman of House of Fraser, who yesterday reported that the stores group's turnover had risen from £53.71m. to £69.91m. in the first quarter to April 26, 1975, with pre-tax profits moving up from £1.44m. to £1.77m.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Bertrams	int.	0.75	July 1	0.5	—	1.75
Brown Shipley		3.94	—	3.77*	6.94	6.39*
Chemring	int.	0.55	July 1	0.5	—	0.99
Gomme	int.	1.47	Aug. 7	1.47	—	4.62
C. E. Heath		4.27	July 7	3.91*	6.1	5.61*
L.K. Industrial		0.98	—	0.98	1.96	0.98
W. Mallinson		1.03	June 30	0.89	1.73	1.59
Moss Bros.		1	—	2.86	1	4.12
Narborough Rubber	int.	0.5(a)	July 11	0.3	—	1.5
Quality Cleaners	int.	1.01	Aug. 1	0.89	—	2.77
Scot. Nat. Trust	int.	1.05	June 20	1.05	—	2.66
Teacher Distillers		6.12	July 10	6.12	8.22	8.22
Transparent Paper		2.4	Aug. 7	2.51	3.7	3.39

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Gross—not to imply higher total.

Optimistic outlook at Gill & Duffus

SOME OF Gill and Duffus Group customers in the western world are having a difficult time and this may well reflect in the group's volume of trade. On the other hand business with eastern Europe has been buoyant, says *chairman, Mr. R. G. McFall*. He adds that it will not be easy to maintain the group's record but "you may be sure we will have a good try and in 1975 so far so good."

Mr. McFall states that the group's most important step during last year was to join with Jardine Matheson in the launching of a commodity venture in the Far East. Trading began from October and progress has been "modest." The group has had ample confirmation, however, that the potential is large and he feels sure that success lies ahead.

Last year's plans to expand in Brazil were not fulfilled but Joanes has acquired an *option* on a site in Ilheus with a view to furthering their processing activity in the cocoa zone.

The chairman says that an important event in 1974 was the opening of a new rubber futures market in London, something for which the group has long been an advocate.

Commenting on 1974 results he points out that high prices inevitably meant that annual turnover was sharply increased although the figure was comparatively lower for the second half of the year. In these circumstances the group's profit margin expressed in terms of turnover value was lower.

It should be noted however that profit margin in terms of tonnage was as good or better than ever, he adds.

The geographical spread of the group's business and the spread between various commodities showed generally little change but there was an upsurge in France and Brazil.

As reported on April 4 pre-tax profit for 1974 advanced from £5.19m. to £6.25m. and the dividend is effectively lifted from 3.22p to 3.5p net.

Meeting Bakers Hall, E.C., on June 18 at noon.

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Australian Mutual Provident

The **Australian Mutual Provident Society** paid a record £90m. to policyholders in 1974 by way of death, disability and maturity claims. This brings the total since inception to £1.1bn.

As a result of last year's operation, a surplus amounting to £80m. was distributed so as to provide reversionary bonuses of £190m. The rates of reversionary bonus for U.K. policies over the five years in force were increased for the second consecutive year.

A further amount of £1m. was provided for distribution as terminal bonuses of participating policies which become claims by death or maturity and were over five years in force. Terminal *bonus rates for U.K. policies for* the year commencing May 1, 1975, were maintained at the increased 1974 levels.

The chairman, Sir Vincent Fairfax, also reports a significant increase in the effective rate of interest earned on funds and an increase in bonus rates for some classes of policies, and the maintenance of existing rates for other classes.

Total income for the year was a record £413m., comprising £279m. of premiums and £134m. of investment and other income.

The society's assets increased by £190m. to £2bn. Freehold and leasehold property and associated assets increased by £65m. to total £413m. Earnings from property amounted to £25m.

Loans on mortgages and on the society's policies amounted to £472m., and income from these was £35m.

Holdings in shares, debentures and notes increased by £25m. to £479m. Income from these sources was £32m.

Bertrams turns in £128,000

Paper and board machinery manufacturers **Bertrams** reports an expansion in pre-tax profit from £43,000 to £128,000 for the six months to March 31, 1975 on turnover up from £861,000 to £1.23m.

The Board states that orders in hand will maintain output during the next six *months* and they anticipate that the year's results will be satisfactory.

They are hopeful that their order book will continue at a satisfactory level, but they say that this mainly depends on the outcome of enquiries received from abroad.

The interim dividend is raised from 0.5p to 0.75p net. Last years total was 1.75p from profits of £152,102.

Chemring ahead in first half

Sales of **Chemring**, manufacturers of radar reflective devices, increased from £0.62m. to £0.77m. in the half-year to March 28, 1975, and pre-tax profit increased marginally from £122,200 to £125,000. The figure for the year to September 30, 1974 was £239,500.

An interim dividend of 0.55p net per 5p share (0.5025p) is declared. Last year's total was 0.9893p.

ISSUE NEWS

ONE-YEAR BONDS 11⅞%

The coupon on the local authority yearling bonds has dropped from 12⅛ per cent. to 11⅞ per cent. this week. The following local authorities have placed yearling bonds due June 2, 1976 at par. North Devon District Council (£1m.), Beaconsfield District Council (£½m.), Wiltshire County Council (£1½m.), Metropolitan Borough of Solihull (£½m.), London Borough of Enfield (£1m.), Suffolk Coastal District Council (£½m.), *Thurrock Borough Council* (£½m.), Wirral Borough Council (£1m.), Dudley Borough Council (£¾m.), Borough of Slough (£¼m.), Birmingham District Council (£1m.), City of Dundee District Council (£½m.), City of Glasgow District Council (£1m.), Greater Manchester Passenger Transport Executive (£¾m.). Borough of Gosport is also issuing 12¾ per cent. bonds due May 25, 1977 at par.

W. Mallinson down by £4.4m.

INTERNATIONAL timber merchants, William Mallinson and Denny Mott reports external sales up from £101.41m. to £120.34m., and a contraction in pre-tax profit from £8.09m. to £3.69m., for 1974, after £1.7m. (£4.53m.) for the first half.

Trading profit was down from £9.51m. to £7.31m. for the year after substantial stock provision. The difference between this figure and the group profit before tax was wholly attributable to interest charges—up from £1.42m. to £3.62m.

Results in 1975 should show the benefit of reduced interest charges and should not suffer the heavy stock provision which is included in 1974 accounts, the directors state.

Current trade in the U.K. is at a level comparable with the second half 1974, they add.

A final dividend of 1.028p makes 1.726p (1.593146p)—the maximum permitted. Earnings per 25p share decreased from 13.35p to 5.44p.

	1974 £000	1973 £000
External sales	120,343	101,434
Trading profit	*7,311	9,508
Interest	3,619	1,419
Profit before tax	3,693	8,096
U.K. tax	1,462	3,735
Overseas	628	594
Minority interests	34	21
Attributable	1,637	3,782
Extraordinary credits	217	24
Balance	1,854	3,806
Retained	1,230	3,214

* After substantial stock provision.

● comment

Mallinson now seems to be over the burden of stock losses; the provision in the second half was just over £1m. (£4¾m. overall) while prices of softwoods have now levelled out with hardwoods and plywood actually firming up. Demand is being *held* at second-half levels, thanks to non-softwood business and overseas, which, allowing for some saving on interest charges (bank borrowing is slightly down reflecting a switch to more medium-term loans) and the lack of stock loss provisions, gives an inbuilt recovery factor. For the longer term, a recovery *in softwood prices looks inevitable*, given the drop in logging volume and the expected upturn in demand from the main importing countries. The 9¼ per cent. yield at 28p therefore looks pretty safe.

Aquascutum in 'good shape'

While there is no doubt about the long-term progress of Aquascutum chairman Mr. G. M. Abrahams states that he would not consider forecasting the outcome of the current year but he says a satisfactory start has been made and he is hopeful of "another good year."

Due to a typographical error the word "no" was omitted from the first line of the above paragraph in Saturday's report.

John Menzies above budget

Mr. John Menzies, chairman of **John Menzies (Holdings)**, told the annual meeting in Edinburgh that sales for the first quarter of the current year were up 39 per cent over last year, "which is above budget."

In view of the importance which Christmas trading had assumed in the retail division and the effect of a high rate of unemployment may have on such sales in 1975, Mr. Menzies said it was difficult to make any profit forecast for the remainder of the year.

Gomme falls £0.6m. at half way

FROM INCREASED turnover of £8.05m. against £7.51m. pre-tax profit, manufacturers of G-plan furniture, **Gomme Holdings**, contracted from £819,000 to £224,000 for the six months ended January 31, 1975.

Earnings per 25p share are shown to have fallen from 5.949p to 1.485p. The interim dividend is 1.467p (same) net. Last year's total was 4.617p from profits of £1.58m.

The directors state that reduced deliveries produced no better than a break-even position for the first three months of the second half of the financial year, but profitability had now been restored.

The new furniture was very successful and orders for it, and for the existing ranges, are such that the outstanding order book extends six months ahead and even this is a self-imposed limit, they add.

They explain that a number of factors contributed to making the half-year a most disappointing one. The factors *included* a sharp fall in demand due to stock reductions by retailers, which affected deliveries in the autumn, and an unexpectedly severe drop in output following the introduction of a new range of furniture.

	Half-year 1974-75 £000	Half-year 1973-74 £000	Year 1973-74 £000
Turnover	8,031	7,897	14,979
Profit	325	849	1,693
Interest	101	30	116
Pre-tax profit	224	819	1,577
Tax	116	436	832
Net profit	108	383	745

● comment

A fall-off in demand in the first six weeks of *1974-75* caused Gomme Holdings to misjudge the launching time of its new furniture range and the result is a 78 per cent. drop in halftime pre-tax profits on a 10 per cent. fall in sales volume. The decline in demand was apparently due to temporary de-stocking by customers. This has now ended and demand is now picking up strongly just as new products are coming into the market. In the short term this probably means little since the second half started very badly, and a full-year target of around £500,000 pre-tax is a maximum hope. Beyond that, a full recovery in profits looks no more than a year away, especially since both stocks and borrowings look like remaining at their previous levels in the current year, though, whether this will be enough to support the shares, which at 74p are yielding 9.7 per cent., remains to be seen.

House of Fraser first quarter progress

FIRST QUARTER (to April 26, 1975) net turnover of House of Fraser expanded from £53.71m. to £69.91m., and pre-tax profit advanced from £1.44m. to £1.77m. The figures for the year to January 25, 1975 were £295.62m. and £19.39m. respectively.

Earnings per 25p share for the 13 weeks increased from 0.58p to 0.69p.

	1975 £	1974 £
	13 weeks	
Turnover	74,743,533	58,054,276
Less VAT	4,825,424	4,339,345
Net turnover	69,918,109	53,714,931
Trading profit	3,290,853	2,718,502
Net interest	713,310	593,019
Depreciation	808,087	672,414
Profit before tax	1,773,836	1,443,469
Taxation	922,405	750,804
Net profit	851,431	692,665
Preference div.	7,962	7,962
Attributable Ord.	843,469	684,703

Following a change in the method of charging depreciation made in the second half of 1974-1975 and applied for the whole of that year the depreciation charge for the 13 weeks has been adjusted accordingly.

Profits and consequent tax of associated companies and extraordinary items are dealt with only in the year-end accounts.

See Lex

BOARD MEETINGS

The following companies have notified dates of Board meetings to The Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below is based mainly on last year's time-table.

TO-DAY

Interims—Bass Charrington, Fairbairn Lawson, Govett European Trust, Marley, Ben. Stakis Organisation.

Finals—Ayrshire Metal Products, Beaver Group, Alfred Dunhill, East and West Investment Trust, East Midland Allied Press, W. and J. Glossop, Highlands and Lowlands Para Rubber, London and Aberdeen Investment Trust, Monks Investment Trust, William Morrison Supermarkets, Spink and Son, Wettern Bros.

FUTURE DATES

Interims—	
Bluemel Bros.	June 11
Cameron (J. W.)	June 10
Hickson and Welch	June 4
Keystone Investment	June 3
Martin the Newsagent	June 2
North British Steel	May 30
Northern Industrial Improvement Trust	May 30
Sterling Trust	June 4
Yorkshire and Lancashire Investment Trust	June 3
Finals—	
Alida Packaging	June 5
Caird (Dundee)	May 29
Cessnock	May 30
Consolidated Tea and Lands	May 30
Gough Bros.	June 2
Greening (N.)	June 5
Holt Products	June 5
Johnson Matthey	June 10
Macdonald Martin Distilleries	June 2
Pilkington Bros.	June 13
Rowlinson Constructions	June 9
Trith Holdings	May 30
West Nile Holdings	May 30

Sphere to maintain 2.04p net

The directors of Sphere Investment Trust believe that the rate of dividend for the year to March 31, 1975—2.04p net—can be maintained in the current year, and they intend to declare an interim dividend payable in December of 1.02p.

As reported on May 14 total revenue fell slightly from £1.39m. to £1.37m. in 1974-75.

The decrease in franked investment income from £971,048 to £880,893 was due partially to the earlier year being boosted by deferred dividends amounting to £95,000, and partially to the decision to take shares in lieu of some dividends, which reduced 1974-73 income by £45,000.

The increase in unfranked income from £422,115 to £487,048 reflects both higher dividends from abroad and the high level of interest rates in the U.K., available for much of the year.

The company's 20 largest investments totalled £11.02m. or 37.6 per cent. of the portfolio.

Meeting, 4 London Wall Buildings, E.C., on June 19, at noon.

Pork Farms sales expansion

CURRENT YEAR sales volume of Pork Farms is above that of last year, and although selling prices are being adjusted to try to maintain margins, it s probable that first half profit will not match that of 1974, says the chairman, Mr. D. C. Samworth.

With inflation still running at levels unknown until recently, and with unemployment still rising, he stresses that it is particularly difficult to forecast.

But the company operates in an industry less likely to suffer than most and has again budgeted to increase its volume. Much depends on prices for meat, the chairman adds.

As reported on May 23 group pre-tax profit for the year to March 1, 1975 was £1.24m. (£1.03m.) and the dividend is 7.1229p (6.444p). Accounts adjusted for inflation shows profit on C.P.P. basis £2.04m. (£1.76m.), and earnings £1.87m. (£1.22m.).

Within the last 12 months £1.6m. was spent on an exceptionally heavy capital expenditure programme, and in the last three years approximately £3m. has been invested in new factories and plant; although not yet fully utilised they give additional capacity for the future.

The cash flow is comfortably in line with forecast and together with banking facilities available is adequate for capital comitments in the foreseeable future.

Meting Trent Bridge, Nottingham, June 19, noon.

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Teacher tops £1.8m. after stock surplus sale

AFTER HEAVIER bank interest of £1,085,300 compared with £567,800, but including profits on sales of surplus whisky stocks of £394,300, taxable profits of Teacher (Distillers) increased from £1.68m. to £1.81m. in the year to January 31, 1975.

At halfway, reporting profits of £1.2m. against £0.69m., the directors said that full year results were unlikely to be substantially in advance of those for 1973-74.

After higher taxation and minorities, full year earnings are shown to be down from 19.8p to 18.5p per 50p share. Excluding a deferred tax charge of £176,200 stated earnings are 23.2p. The net dividend is maintained at 8.2154p net with a final of 6.1154p.

	1974-75 £	1973-74 £
Group turnover*	49,106,700	39,163,886
Depreciation	552,600	418,700
Auditors' remun.	14,400	9,006
Directors' remun.	68,900	69,000
Bank interest	1,085,300	567,800
Loan stock int.	254,700	279,900
Profit before tax	1,814,800	1,681,300
Taxation†	1,061,700	851,900
Minorities	17,800	12,400
Attributable	735,300	794,500
Preference div.	35,000	35,500
Interim Ord.	79,400	79,400
Proposed final	231,100	231,100
Retained	390,300	436,900

* Including duty. Exports £7.64m. (£5.58m.). † Includes deferred tax charge £176,200 resulting from decision to obtain immediate recovery of Corporation Tax paid in prior years at rate of 40 per cent. by carrying back excess Capital Allowances.

See Lex

Treasury Conversion offer

The Treasury announces that a conversion offer will be made to holders of 7 per cent. British Savings Bonds (First Issue) purchased in the period April 2, 1970 to October 1, 1970. These bonds will mature on October 1, 1975, and are repayable on application at £102 per cent. upon maturity.

Holders of such Bonds will be invited to exchange their holdings on October 1 into 9½ per cent. British Savings Bonds (Second Conversion Issue) which will be repayable on application at £103 per cent. on maturity. The terms of these new Bonds will be as the subscription issue which went on sale on June 3, 1974, except that interest will be payable on April 1 and October 1.

Holders who decide not to accept the conversion offer should apply for repayment.

The list of acceptances of the conversion offer will be closed on June 27, 1975.

Confidence at Porter Chadburn

The chairman of Porter Chadburn, Mr. D. C. Bamford, is conscious of the problems to be faced, but has every confidence in the group's ability to cope with them.

Active steps are continually being taken to find new outlets for products at home and abroad, constantly to update them, and to develop new ones.

At a time of such uncertainty, with falling investment throughout the engineering industry, and the level of inflation, it is difficult to make any forecast, he tells members.

But the group's activity is spread over three markets—brewery equipment, mechanical handling, and marine equipment—and not all of these are subject to the same trends at the same time.

As reported on May 3, taxable profits increased from £574,175 to £622,519 in the year to January 2, 1975. The dividend is 3.93p (4.065p) net.

Group sales at £7.23m. (£6.39m.) were split as to brewery equipment 46.8 per cent.; marine equipment 13 per cent.; mechanical handling equipment 18.4 per cent.; plastic film and bags 12.6 per cent.; and others 9.2 per cent. Exports were valued at £518,000.

Mr. Bamford says that the effect of inflation is seen in current assets, where stock and works-in-progress and debtors increased disproportionately to the increase in sales.

The cost of bought-in materials and goods taken in stock in December 1974 was up to 50 per cent. higher than in January 1974. This had an effect on liquidity, and bank balances at January 3, 1974 of £262,000 have been translated into overdrafts of £422,000.

The accounts show a payment to a former director of £3,500.

Meeting Liverpool on June 19 at 12.15 p.m.

RHM to increase share capital

In order to have an adequate margin of unissued shares available for future acquisitions or raising additional capital the directors of Ranks Hovis McDougall propose that the authorised share capital be raised from £80.57m. to £120m.

Of the present share capital, £74.88m. has now been issued following the recent rights issued and the major part of the unissued shares would be required to be available for issue under the company's share option schemes on the assumption that options are granted over the permitted maximum number of shares, chairman Mr. J. Rank says.

The directors do not at present intend to issue any shares but they believe that the margin of unissued shares should be sufficient to take account both of inflation and the uncertainty of present market conditions, he adds.

The directors also propose to take opportunity of the extraordinary meeting called for this purpose to make a formal alteration to the company's two share option schemes, Mr. Rank says.

They propose that the provision, which in certain circumstances could restrict the company in the making of future issues while options are outstanding, be removed.

Each scheme should instead provide that if, on a capitalisation or rights issue, the auditors certify that in their opinion the fair and reasonable subscription price for any share involved is a price less than its nominal amount the share will, on the exercise of the option, be issued for cash at the certified subscription price and credited as paid up to the balance of the nominal amount of the share.

This proposal would not improve but would merely maintain the optionholders' position under the schemes, Mr. Rank states.

Extraordinary meeting, 152 Grosvenor Road, S.W., on July 15 at 10.45 a.m.

WORMALDS WALKER

Wormalds Walker and Atkinson incurred a pre-tax loss of £120,223 in the year ended February 28, 1975, compared with a profit of £258,450 in the previous year. In last Thursday's report on the figures the deficit was incorrectly given as £210,223.

Progress for Boosey & Hawkes

RESULTS SO far of Boosey and Hawkes, music publishers and makers of musical instruments, suggest that in the current year the company should earn "not less" than in 1974, reports Mr. H. P. Barker, the new chairman, in his annual statement.

He adds, however, that current financial stringency may have an adverse effect on the expenditure of education authorities in teaching music.

He thinks that, in the long-term, prospects for the business "in the widest terms are very good." Musical education is increasing and there should be more people in future years playing musical instruments than in the past. Music as a human activity seems to have as long a future as it has a past, he adds.

Turning to overseas activities, Mr. Barker says that serious losses in South Africa were reduced in 1974 "and we expect them to be reduced again in the current year."

The company is engaged in liquidating inventories and assets surplus to requirements and is aiming at achieving "a slimming down but viable presence in South Africa by 1976."

For the group as a whole, Boosey and Hawkes is seeking to maintain satisfactory liquidity by a tighter control of inventories and debtors.

"We have not yet reached the point when we can truthfully say that the liquid resources in all our activities are being efficiently used. We are working hard on this and consequently hope to contain the consequences of inflation during 1975 within our present framework of banking facilities."

As reported on May 8, pre-tax profit was up from £1.05m. to a record £1.52m. in 1973. Dividends are up from 5.14p to 7.58p net.

A geographical percentage analysis of turnover of £10.4m. (£8.5m.) and trading profit of £1.52m. (£914,000) shows:

	Turnover 1974	Turnover 1973	Trading profit 1974	Trading profit 1973
Africa	6.9	11.9	*4.7	*9.5
Australasia	7.7	9.3	8.7	14.3
Europe	17.7	16.1	19.5	11.3
Middle East	1.0	0.7	0.5	0.3
N. & Latin Amer.	22.8	23.4	14.9	16.6
South East Asia	1.5	1.3	0.7	0.6
U.K.	42.5	37.3	60.4	66.7

* Loss.

A statement of Source and Application of Funds shows a net outflow of liquid funds of £449,000 (£165,000 inflow).

As at May 7 Carl Fischer Inc., of the U.S., was interested in 1.93m. Ordinary shares or 49.24 per cent. of the capital.

Meeting, Cafe Royal, W., on June 18 at noon.

Sears property growth

THE STRENGTH of the Sears group continues to lie in its substantial property interests and cash resources, says Sir Charles Clore, chairman of Sears Holdings.

During the year ended January 31, 1975, the book value of the group's properties rose by £38m. to £262m., reflecting in part the acquisition of Galliford Estates. These figures take no account of short leaseholds valued at over £30m. in 1972.

Cash balances are still substantial at over £23m., but although the Government has given some relief to industries' cash flow problems, Sir Charles says it is essential for resources to be conserved to maintain adequate working capital and to provide for the capital investment which is much needed in the U.K. at present.

Continuing inflation and the restrictions imposed by the Price Code are the main difficulties facing Sears and Sir Charles is unwilling to give a profit forecast for the current year.

But he is confident in the management's ability in each activity to adapt themselves to changing circumstances and to hold down costs and maintain margins wherever possible.

As reported on April 23, profits, before tax, fell from £48m. to £41m. The main culprit was the engineering side but this division is now poised to benefit from an upturn in demand when it occurs.

The footwear retailing and departmental stores businesses have both made a good start in the current year, and the group continues to be in a very strong position to meet the international and domestic economic difficulties which lie ahead.

Meeting, The Selfridge Hotel, Orchard Street, W., June 24, noon.

Eveready SA ahead to R3.8m.

Taxable profit of Eveready South Africa, a subsidiary of Eveready, of the U.K., rose from R3.79m. to R3.81m. during the year to February 28, 1975.

Earnings per 50 cents share are shown to be up from 25.4 cents to 26.08 cents and the dividend is raised from 9 cents to 8.5 cents with a final of 5.5 cents.

Tax was R1.52m. (R1.56m.), leaving R2.29m. (R2.23m.).

Slater Walker (Canada)

Slater Walker of Canada's first quarter earnings will not be as high as last year's net of $2.1m., Mr. Robert Smith, the company president, said after the annual meeting.

But he disclosed that results to be released shortly would be about the same as the 1974 period if the company's purchase of its shares held by Toronto and London Investment Company was taken into consideration.

Mr. Smith said a decision by the Canadian Foreign Investment Review Board, was expected within three weeks concerning a proposed sale of its 950,000 shares of Peoples Department Stores to Marks and Spencer. And although he declined to elaborate, he told shareholders the company expected to finalise one other transaction shortly.

The company, which is Canadian controlled, plans to pursue more actively the acquisition of Canadian companies.

£0.16m. by LK Industrial

Compared with the higher profits and earnings forecast in June last year, pre-tax profit of L.K. Industrial Investments rose from £135,430 to £164,000 and earnings per 25p share from 3.24p to 3.55p in 1974.

The prediction was made in the 1973 annual report and accounts by the chairman, Mr. D. M. Slocock, who also said that the future was viewed with "considerable confidence."

Dividend total is up from 0.98p to 1.98p, the maximum allowed, with a final of 0.98p (same). Certain directors intend to waive their rights to the final dividend on 250,000 shares.

	1974 £	1973 £
Turnover	2,073,268	1,381,240
Pre-tax profit	164,000	135,430
Taxation	88,000	71,440
Net profit	76,000	64,010
Extraordinary debit	20,000	19,070
Attributable	56,000	44,940
Preference dividend	1,269	1,260
Ordinary	36,070	26,485

RECENT ISSUES

EQUITIES

Issue Price p***	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p***	+ or –	Div. & or Amount	Times covered	Gross Yield	P/E Ratio
—	F.P.	—	£36¼	£32⅝	Bell Canada ($20)	£34½	–⅛	—	—	—	—
‡	F.P.	—	£22¼	£11½	Gulf Can. Inc. $US1	£21	–¼	s1.8	—	3.9	—
‡R2	Nil	30/5	110	28	Deelkraal Gold Mining	100pm	—	—	—	—	—
‡	F.P.	—	134	120	Ewart New Northern	131	—	—	—	—	—
140	F.P.	20/6	181	154	Rank 'A'	177	–1	—	—	—	—

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price £	+ or –
£100	F.P.	—	100½	98¾	Agricultural Mortgage 11% 1976	100½	+⅜
‡£100	£25	—	40	32	Allied Irish 10% Conv. Uns. 1986	39	–5
£100	£10	—	11⅜	11⅛	Colne Valley Water 9% Red. Prf. 1980	11⅛	—
‡£100	nil	—	29	21	Greenall 'A' 10% Conv. Uns. '90/95	26½pm	–1½
$98	F.P.	—	$97	$96½	Granges 9¾% Bonds 1985	$97	—
£97¼	£40	—	39¾	37	GLC 12¼% Stk. 1982	38¼	+⅛
a	F.P.	22/8	100	100	Greenwood & Batley 16% Uns. 1976	100	—
£99	F.P.	30/5	102¼	98½	Lincoln Corp. 13% 1980	101	+¾
‡£99	F.P.	30/5	105½	101	Mid-Kent Water 10% Prf. 1980	104½	—
‡	F.P.	23/5	15½	11¾	Mid-Southern Water 10% Prf. 1980	104½	—
$100	F.P.	—	$100½	$100½	Norsk Hydro 9¾% Bds. 1985	$100½	—
£100	F.P.	31/5	114½	106	N. Atlantic Secs. 7½% Cnv. 96-98	114½	+½
$98	F.P.	—	$98	$96½	Ottawa-Carleton 8% Deb. 1990	$98	—
$99	F.P.	—	$101	$92¼	Papua New Guinea 9¼% Guar. 1985	$100	—
‡£75	F.P.	—	105¼	100	Rickmansworth & Uxbridge 10% Prf. 1980	104½	—
£100	F.P.	30/5	155	122	Slough Estates 10% Conv. Uns. '87/90	148	—
£99¼	£46	1/8	46¼	43½	Southend-on-Sea 12% 1981	44⅛	+¼
£99	F.P.	11/4	105	99	S. Staffs. Water 10% Prf. 1980	104½	—
‡	F.P.	18/4	106	101	Sutton District Water 10% Prf. 1980	104	—
—	F.P.	14/2	90	60	Wrath (Bond) 12% Conv. Uns.	85	–5
‡£100	£30	12/10	97	67	Yorks Chems. 12½% Conv. Uns.	79	—

"RIGHTS" OFFERS

Issue Price p***	Amount Paid up	Latest Renunc. Dates †	Latest Renunc. Dates ‡	Stock	Closing Price p***	+ or –
100	Nil	—	—	Ash & Lacy	30pm	+4
35	F.P.	16/5	2/7	Associated Biscuit	63	–1
10p	F.P.	18/5	16/6	Aurora Holdings	12	+¼
36	Nil	—	—	Cadbury Schweppes	9½pm	–½
10p	F.P.	2/5	30/5	Croda Int.	70	—
55p	F.P.	19/5	10/6	Delta Metal	69	—
$1.20	Nil	—	—	EZ Inds.	86pm	+6
25	Nil	—	—	Elliott Grp. (of Peterboro)	15pm	—
150	Nil	—	—	Fairclough (Leonard)	53pm	–4
175	F.P.	19/5	20/6	Guest Keen	252	+1
32	Nil	—	—	Hawkins & Tipson	24½pm	—
Dm90	Nil	—	—	Hoechst	70pm	—
125	Nil	—	—	Linfood Hldgs.	37pm	—
40	Nil	—	—	Macarthys Pharm.	17½pm	—
100	Nil	—	—	Manbre & Garton	26pm	—
100	Nil	—	—	Marshalls Universal	34pm	—
80	F.P.	—	—	Martin Black	105	+1
50	F.P.	16/5	13/6	Morgan Crucible	99	–½
25p	Nil	—	—	Pahang Cons.	1pm	—
47	Nil	—	—	Richard & Wallington	28pm	–1
Kr..	Nil	—	—	S.K.F. "B"	200pm	—
95	Nil	—	—	Simon Eng.	18½pm	—
77	F.P.	12/5	6/6	Sparrow-Sarm(?)	119	—
515p	Nil	—	—	Sun Alliance	115pm	–5
125	Nil	—	—	Tarmac	18pm	+5
—	F.P.	28/4	1/5	Tube Invs.	292	—
25	F.P.	—	—	Western Selection	35pm	—

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p*** Pence unless otherwise indicated. u Forecast dividend; cover based on previous year's earnings. F Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ¶ Offered to holders of Ordinary shares as a "rights." ‡ 290 S.Afr. cents. ‡ Rights by way of capitalisation. †† Tender allotment price. ♦ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♦ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. ★ With warrants.

RESULTS AND ACCOUNTS IN BRIEF

ARCHIMEDES INVESTMENT TRUST—Interim dividend on Income shares 1.82p (1.675p). Board anticipate total dividend for year not less than 4.00p (3.663p). Gross revenue six months to April 30, 1975, £41,657 (£63,077). Net income £23,136 (£22,246) after tax of £11,927 (£24,581).

ASTBURY AND MADELEY (HOLDINGS) (metal fitting stockists and distributors)—Results for 1974 reported April 24. Group fixed assets £381,785 (£363,440). Group net current assets £238,287 (liabilities £32,013). Meeting, Birmingham on June 16 at 12 noon.

AUSTRALIAN AND INTERNATIONAL TRUST—Net asset value per share at April 30, 1975 was 111½p (96½p at January 31, 1975).

BRITISH-BORNEO PETROLEUM SYNDICATE—Results year to March 31, 1975, reported May 14. Investments £3.67m. (£3m.), valued at £8.99m. (£8.22m.), including quoted in Great Britain £6.36m. (£7.6m.). At April 22 Consolidated Gold Fields held 22.3 per cent. of Ordinary. Meeting Winchester House, E.C., on June 18 at noon.

BRITISH SYPHON INDUSTRIES—Results 1974 and observations on prospects already known. Analysis of turnover and profit (in percentages) shows dispense equipment division £3.8m. and 53.13; engineering £2.87m. and 16.18; industrial merchanting £1.29m. and 28.69. Group fixed assets £1.6m. (£1.38m.) Net current assets £1.23m. (£0.7m.). Meeting, Sheffield, June 16 at 12.30 p.m.

C.H. INDUSTRIES—Results for year to January 31, 1975, reported April 12. Group fixed assets £1,248,422 (£1,194,154). Net current assets £382,381 (£320,211). Meeting, 48, St. Martins Lane, W.C., June 17, noon.

CITY AND COMMERCIAL INVESTMENT TRUST—Net asset value per cap. share at April 30, 1975, was 138.5p (52.75p) at January 31.

CITY OF OXFORD INVESTMENT TRUST—Results for year to March 31, 1975, reported May 8 with net asset values. Net assets £1.77m. (£2.15m.), including investments £1.96m. (£2.2m.). Chairman says it is difficult to forecast revenue in current year, but intended to maintain dividend, drawing on revenue reserves if necessary. Meeting 41, Bishopsgate, E.C., on June 18 at 11.30 a.m.

J. COMPTON, SONS AND WEBB (Uniform and clothing manufacturers)—Results for 1974 reported April 11. Group fixed assets £2.18m. (£2.31m.). Net current assets £4.71m. (£3.62m.). Chairman says opening months satisfactory as to volume of output and profitability, factories operating at high level of efficiency and order books satisfactory. Meeting, Quaglino's, S.W., on June 19 at noon.

WALTER DUNCAN AND GOODRICKS (East India merchants and managing agents)—Results for 1974 reported May 16. Group fixed assets £2.08m. (£1.99m.). Current assets £22.3m. (£20.46m.), liabilities £20.79m. (£19.19m.). Chairman says it is difficult to forecast finance from results for 1975, but factors should continue to trade profitably. Meeting, 37, Mincing Lane, E.C., on June 17 at 11.45 a.m.

W. G. Frith (Aluminium foil manufacturers and converters)—Final 0.5p making 1.09p (1.10p) per share. Turnover year to February 28, 1975, £848,868 (£589,877). Net profit £14,752 (£29,179) after tax of £37,983 (£21,772). Special tax debit included for prior year corporation tax equalisation account adjustment of £6,023 (nil).

HARMO INDUSTRIES (manufacturers and suppliers of motor components and accessories and hydraulic equipment)—Results for 1974 reported April 18. Group fixed assets £3.4m. (£3.11m.). Current assets £4.79m. (£3.86m.), liabilities £2.33m. (£1.99m.). Meeting Solihull on June 20 at 3 p.m.

HUNTING GIBSON (shipping, etc.)—Results 1974 and observations on prospects already known. Group fixed assets £17.81m. (£11.26m.). Investments £0.35m. (£1.7m.). Net current assets £1.48m. (£0.75m.). During year through newly-formed company, Alene Oil, almost $2m. invested in oil and gas fields in U.S. Alene ended its first period with small loss. Meeting, 118-127, Park Lane W., June 30, at 12.30 p.m.

INDUSTRIAL AND GENERAL TRUST—Results year to March 31, 1975 and net asset values reported May 16. Investments valued £107.41m. (£100.14m.). Net current assets £4.74m. (£13.77m.)—short term deposits £2.47m. (£10.34m.). Meeting, Winchester House, E.C., June 18, at 12.45 p.m.

MOORHOUSE AND BROOK (Woollen worsted cloth)—Results year to January 31, 1975, reported April 19. Group fixed assets £258,809 (£218,762). Net assets £1,200,885 (£978,913). Order book is very full, says chairman. Meeting, Huddersfield, June 19, at 11.30 a.m.

B. & I. NATHAN (furniture manufacturers)—Results for 1974 reported April 26. Fixed assets £0.95m. (£0.82m.). Net current assets £351,981 (£350,652) at December 27. Throgmorton Trust held 13.9 per cent. of Ordinary. Chairman says interim figures will be well up and those for full year expected to show improvement. Meeting Abercorn Rooms, E.C. on June 11 at 10 a.m.

NURDIN AND PEACOCK (Cash and carry wholesalers)—Results 53 weeks to January 4, 1975, and observations on prospects already known. Fixed assets £7.28m. (£6.92m.). Net current liabilities £0.52m. (£2.28m.). Meeting, Richmond, June 14 at 11.30 a.m.

FRANCIS SUMNER ENGINEER—Pre-tax profit 1974 £68,599 (£109,714). Tax takes £35,333 (£56,138). Earnings per share 14.8p (24.7p). The company is controlled by Francis Sumner (Holdings).

TANGANYIKA CONCESSIONS—Final dividend 7.5p (nil) gross, making 13p for 1974 (5.5p for five months). Dividends and interest £4,284,211 (£3,859,675). Property rents £48,535 (£16,923). Profit on sale of property £14,335 (nil). Compensation retroceded by Union Miniere S.A. £591,066 (£98,540). Sundry profits less losses £15,953 (£2,842). Associated companies £126,084 (£82,710). Less management expenditure and other charges £456,817 (£314,110). Exploration expenditure £215,466 (£181,686). Amounts written off investments £365,987 (£372,636), leaving profit £3,727,104 (£3,313,808) before taxation £851,112 (£794,883). Extra-ordinary credits £2,613,697 (£89,329). Dividend on Preference shares £154,307 (£62,423). Interim dividend £944,451 (£944,451). Final £1,357,390 (nil). Capital redemption reserve fund £184,400 (£24,800). Capital reserve £2,296,618 (£137,789). Retained £23,936 (£1,283,309). Earnings per 50p Ordinary stock unit £15.85p (£14.23p). Included in figures are a dividend for 1974 from Union Miniere £2,517,276 and a final dividend for 1974 from Companhia do Caminho de Ferro de Benguela SARL £323,126. Comparative figures for five months to December 31, 1973, include dividends from the same companies in respect of the year ended on that date. Extra-ordinary items include the group share (£2,517,097) of the Benguela Railway Company Capital Recoupment Fund appropriated in May 1974. This sum net of other capital items transferred "below the line" to Capital Reserve.

MINING NEWS

Johnnies' role in the Lydenburg saga

BY LESLIE PARKER, MINING EDITOR

THE HIGHLIGHTING of Lydenburg Platinum as the heaviest traded share on the Johannesburg Stock Exchange recently continues to arouse a good deal of speclation out there, Richard Rolfe reports.

The story is still current that the main seller is Johannesburg Consolidated which has unofficially indicated that it does not regard its holding in the company as strategic in relation to the overall picture of its control of the big Rustenburg platinum producer.

With the bulk of the off-loading taking place in a rising market—yesterday the London price was 126p compared with 106p a week earier—it is considered likely that Cape and London institutions have been buyers with a view towards an eventualy recovery in the market for platinum.

Another reason that is being discussed concerns the negotiations between President Steyn and the General Mining group consisting of Sentrust, Lydenburg Platinum and General Mining itself over the mineral rights of the farm Video to the south of Steyn in the OFS. The original deal is being revised in the light of the higher gold price.

This, together with the development of the Unisel project next door, should bring better terms for the General Mining companies, terms which could have been strengthened by the drawing together of General Mining and Union Corporation with the implication that Video could alternatively be added to the Unisel property.

Guesses are that the deal will now involve the issue of Steyn shares, possibly 0.6m. which would be worth R12.6m. at yesterday's closing Johannesburg price of R21. Why in these circumstances should "Johnnies" be selling Lydenburg which would get 25 per cent thereof? The explanation Rolfe says is almost certainly connected with the reportedly heavy purchases by the house of Potgietersrust Platinums in the rumoured struggle for control of Rustenburg in March. In other words, the sales of one would be designed to go towards replacing the cash involved in the buying of the other.

Agnico-Eagle progressing

CANADA'S Agnico-Eagle hopes to start paying dividends within the time schedule achieved by other new gold mines, namely some two to three years from the start of commercial production. Agnico-Eagle's new gold property at Joutel in north-western Quebec started commercial production in October, but it has not escaped its share of teething troubles.

However, gold output in the first quarter of this year reached 14,656 ounces, reflecting a milling rate of 82 per cent. of present capacity and an average gold recovery of 78.8 per cent. The chairman, Mr. Paul Penna says that by the end of the year it is hoped to raise the recovery rate to at least 90 per cent. which, with full milling, would give an annual gold production rate of 80,000 to 90,000 ounces.

Meanwhile, the bulk of the company's revenue is coming from the silver-mining operations in the Cobalt area of Ontario. These should be augmented by last year's acquisition of leases which include the formerly-producing Coniagas and Trethewey mines whose remaining broken ore is reckoned to contain some 200,000 ounces of silver.

WARNING FROM SUNGEI BESI

Tin production by Sungei Besi is expected to be lower again in the current year to March 31 while mining expenditure will increase as further development work at the No. 2 open-cast mine accelerates. As a result, Sungei Besi warns that overall profitability for the ensuing two years must be in doubt.

Production of tin concentrates in the past year fell to 2,277 tonnes from 2,579 tonnes largely because of disappointing results at the No. 3/5 mine which is expected to produce less this year. The mine has now been replanned and activities will continue on a reduced scale.

In 1974-75, the average price of tin in Penang improved to $M1,117 per picul from $M789—it has averaged just under $M950 in the past two months—and Sungei Besi's net profit thus rose by £100,000 to £635,000, equal to earnings of 18.9p per share. As already announced, the U.K.-registered company raised its 1974-75 dividend to a maximum-permitted 5.997p net from 5.5p. The shares were 83p cum-premium yesterday.

CERRO COLORADO CANDIDATES

Panama is reported to have narrowed its search for a mining company to operate the big Cerro Colorado copper deposit discovered by Canadian Javelin to four concerns the Government's project manager says.

They are Canada's Noranda, America's Texasgulf, Belgium's Union Miniere and London's Selection Trust. The Government is negotiating with all four companies and hopes to make a final selection therefrom next month.

Meanwhile, a six-month deal has been done with New York's First National City Bank to seek possible sources for the estimated $800m. (£344m.) needed to develop Cerro Colorado. The Government is stated to want the operating company to take 15 per cent. of the equity "to ensure the mine is operated at a profit."

Union Miniere U.S. zinc deal

IT IS reported from New York that agreement in principle has been reached for Belgium's Union Miniere to buy a 40 per cent. stake in an operating zinc mine, near Elmwood in Tennessee, which is owned by the New Jersey Zinc, a subsidiary of Gulf and Western Industries. UM is also to acquire other leases and properties in the area controlled by NJZ.

The deal involves the joint development by the two companies of an additional three new zinc mines and the construction of a slab zinc refinery in Tennessee. The mine development and refinery is expected to cost about $190m. (£81.7m.) and it is anticipated that the total project will be completed by June, 1979.

At last week's annual meeting of UM Mr. Paul-Emile Corbiau said that 71 per cent. of the total B.Frs.4bn. (£49m.) compensation money from Zaire has been received so far and the company's assets at end-1974 totalled B.Frs. 22bn. (£272m.), or B.Frs.2,200 (£27) per one-tenth share. The latter were £34½ cum-premium yesterday. Those of Tanganyika Concessions, which holds 17.6 per cent. of UM, were 210p: no premium applies in their case.

WESTERN MINING & GT. BOULDER

Western Mining and Great Boulder are holding talks with a view to the former acquiring the shares of the latter that it does not already own it was announced in Melbourne yesterday. A further announcement will be made as soon as possible it was added. Western Mining already owns 43.4 per cent. of Great Boulder which has recently split off from its nickel mining and exploration partner North Kalgurli.

Great Boulder in turn holds 5.5 per cent. of Western Mining. The two companies are linked in that the latter treats the concentrates from the former's Scotia and Carr Boyd Rocks nickel mines.

In the four weeks to May 20 Western Mining's Kambalda nickel operation produced 23,838 tonnes of nickel concentrates, up from 20,606 tonnes in the previous period and having an average nickel assay of 12.1 per cent. Following the merger talks announcement Great Boulder jumped 25p to 74p. Western Mining were 5p up at 212p.

MINING BRIEFS

WESTERN MINING—Four weeks to May 20: Central Norseman Gold treated 10,454 tons for 3,680 ounces. Kalgoorlie Lake View treated 78,631 ounces for 11,443 ounces.

UNITED TIN OF NIGERIA—April: Output of concentrates (73 per cent. grade): figures in tonnes: Tin 3, Columbite nil. Production for the month of April, 1974: Tin 94, Columbite nil.

KINTA KELLAS TIN—April output of Tin ore 26 tonnes (March 29.6 tonnes).

BIDS AND DEALS

Vavasseur's stake in Lion going up to 70%

J. H. Vavasseur Group has reached agreements whereby it will increase its holding in Lion International from 52.2 per cent. to 70.3 per cent., a move it feels offers advantageous tax implications of an increased Lion holding and possible savings through cancellation of contingent liabilities to the "material benefit" of shareholders.

The share purchase forms part of arrangements in connection with the proposed sale by Lion of British Lion Films which was announced in March.

Some 1.18m. Lion shares will be bought from a company controlled by Mr. M. Deeley and Mr. B. Spikings, joint managing directors of BLF, in partial consideration of their company's purchase of £1.75m. nominal of Lion 5¼ per cent. cumulative redeemable Preference shares—the balance will be £225,000 cash, payable by JHVG.

A further 500,000 Lion shares will be acquired from Kingside Investment Company. Kingside, with Mr. Deeley and Mr. Spikings, is waiving certain claims in respect of the sale and purchase of Lion shares in 1973. Price is £450,000 in cash—of which £95,000 is attributed to the waiver, and £25,000 in respect of interest—and an agreement to allot later 400,000 new JHVG Ordinary shares.

JHVG's holding of Lion 5¼ per cent. Preference shares will be reduced from £4m. nominal (100 per cent.) to £2.25m., equivalent after the redemption of part of its Preference capital, to 68.9 per cent. of outstanding Preference capital.

APPROVAL FOR BARROW HEPBURN BRAZIL DEAL

Barrow Hepburn Group yesterday announced that final official approval had been granted in Brazil enabling it to take a one-third interest in a new leather manufacturing project in Presidente Prudente, 400 kms. from Sao Paulo.

Total cost of the project will be about £2m., which will be substantially financed by local institutions. Barrow Hepburn's investment will ultimately cost £140,000 and the group will assist with overseas sales.

In addition, Barrow Hepburn is establishing a new company, Bevaloid Do Brazil, to expand exports of the U.K. chemical division with a view to manufacturing in Brazil in due course.

PENTOS—WBG

Pentos announces that it has received acceptances for 95,267 shares in Wright, Bindley and Gell, which together with 24,648 shares acquired during the offer period and the 695,731 owned prior to the offer represent a total of 48.73 per cent. of the total capital of WBG.

The Pentos letter to WBG holders dated May 21 was subject to serious delivery delays on the part of the Post Office authorities. Because of this, and also because of delays caused by the holiday week-end, Pentos has extended its offer for a further 14 days, and it will now close on June 10 at 3.30 p.m.

Pentos also announces that in no circumstances will its cash offer for the shares be increased.

Pentos has received acceptances in respect of £41,995 nominal of loan stock representing 33.83 per cent. of the total in issue. The loan stock offer is also extended, until June 30.

LONRHO

The revised proposals for Kuwaiti interests, headed by Sheikh Nasser Sabah Al Ahmed, to buy a sizeable additional interest in Lonrho have now been outlined in detail in a letter to Lonrho shareholders.

The proposals, envisaging the issue to Sheikh Nasser of 4.84m. shares for £5.72m. immediately and an option to buy a further 4.84m. shares between July 31, 1975 and April 30, 1977, at prices between 118.18p and 181.81p, will be subject to ratification by Ordinary shareholders and holders of Lonrho 7½ per cent. convertible loan stock 1983-88 and 7½ per cent. stock 1984-89, at extraordinary meetings on June 12 (for Ordinary members) and June 16 (for loan stock holders).

U.S. offer 'irrelevant' says Dowding

A letter sent to shareholders in Dowding and Mills by General Electric Company of the U.S. extending the General Electric offer until May 30 is dismissed as "irrelevant" by Dowding chairman, Mr. K. H. Sharp, in a further rejection of the bid.

Mr. Sharp says in a letter to Dowding shareholders that the letter "is mainly irrelevant as it ignores the profit and dividend forecasts contained in my letter of May 8, 1975."

He also points out that General Electric—after having had its offer open for 21 days—had not stated that acceptances had then amounted to only 5.35 per cent. of the Dowding equity.

Mr. Sharp says the Dowding directors do not intend to accept, preferring to "retain a fine investment rather than receiving cash (subject to capital gains tax) at a time of high inflation."

McCORQUODALE EXTENDS OFFER FOR FALCONER

McCorquodale & Co. announces that its wholly-owned subsidiary, McCorquodale Incorporated, has decided to extend until at least June 10 the offer to purchase 152,594 shares of common stock in the Falconer Company of Baltimore, not already owned by another McCorquodale subsidiary.

Falconer holders who have already tendered their common stock will have the right to withdraw their stocks during the period of the extension, which will permit them to evaluate the tender offer in the light of an earnings announcement recently made by Falconer which showed more favourable post tax earnings than originally foreseen.

TOMKINSONS

Tomkinsons (Holdings) announces that its wholly-owned subsidiary St. Mary's Carpets has sold its business of warp yarn printing, including the land and buildings at Stoney Lane, Kidderminster, the remainder of its fixed assets and stock to Mayside a subsidiary of Stalwart Dyeing Company.

The cash consideration is £456,078, which approximates to the book value of the assets disposed of by St. Mary's.

St. Mary's commenced to trade in September 1973 and trading losses of some £100,000 have been incurred from commencement to the date of disposal. The cash received will enable the company to take advantage of any suitable opportunity for further investment.

Mayside—which is to have its name changed to Stalwart (Kidderminster)—intends to continue and expand the business.

ASSOCIATES DEALS

Pentos Holdings, on behalf of PENTOS, bought on May 23 4,333 Wright Bindley and Gell at 60p.

Hill Samuel and Co. on May 21 sold 860 CRODA INTERNATIONAL at 60p for a discretionary investment client.

SHARE STAKES

Bricomin Investments—a subsidiary of British and Commonwealth Shipping—on May 20 acquired a further 10,000 City Offices Co. Ordinary shares at 44p per share and on May 22 a further 40,000 at 45p per share. These increase the holding to 5.98m. shares (about 26.22 per cent.).

Avendene Properties is now interested in 12 per cent. of the capital of Braid Group.

Yorkshire and Lancashire Investment — Bloomsbury Investments has increased its holding in the company to 515,000 Ordinary shares, representing 12.9 per cent. of the capital.

Pentos—Mr. Maher has disposed of 83,417 Ordinary shares and his current holding of 1.2m. shares is less than 10 per cent of the capital.

CO-OP—OLDHAM

The offer extended by the Co-operative Insurance Society to public shareholders of the Oldham Estate Company—other than Oldham chairman, Mr. Harry Hyams—after CIS had become the owner of more than 50 per cent of Oldham's 168m. shares, has been accepted in respect of 789,917 shares.

CIS's total holding in Oldham is now 84.78m. shares (50.46 per cent).

Tanker surplus now 35 per cent.

By James McDonald, Shipping Correspondent

THERE IS now a surplus of 35 per cent. of the world tanker oil fleet, or around 250m. deadweight tons, says H. P. Drewry (Shipping Consultants).

"About 10 per cent. is in lay-up, the remaining 25 per cent. is either slow-steaming, awaiting cargoes or heading for lay-up. Even with a healthy growth in oil demand during the rest of this year, there seems no early prospect of the tanker surplus being eliminated," adds Drewry in its "Shipping Statistics and Economics" survey.

On a slight note of hope, the survey says that the rate of scrappage so far this year, at about 6m. deadweight tons per annum, has been three times as high as normal levels.

"If this rate of scrappage is maintained or increased, and if the rate of cancellation of new buildings continues, there is some hope for an eventual improvement in the tanker market.

"As lay-up increases, some gradual improvement in freight rates can be expected but it is likely to be some time before freight rates in general reach levels at which many owners will be able to operate profitably."

Rauma-Repola sales up 43%

By Lance Keyworth

HELSINKI, May 27.

RAUMA-REPOLA Oy reports for fiscal 1974 a 43 per cent. rise in turnover to Finnish Marks 1.6 billion (approximately £198m.). Net earnings for the year after taxes and depreciations came to FMks.22.9m. against FMks.18.5m. in 1973. The company distributed a 10 per cent. dividend on a share capital of FMks.211m.—the share capital was raised during the year by FMks.54m.

In terms of sales, R-R's leading division was engineering with a total invoicing of FMKs.476m. (an increase of 56 per cent.), followed by sawn goods FMKs.355m., paper FMKs.225m. and shipbuilding with FMKs.190m.

The engineering division had FMKs.20m. worth of orders on hand at the end of 1974, which guarantees full employment until mid-1977. The greatest part of this comprises orders for nine semi-submersible oil drilling rigs for use in the North Sea. The two main shipyards have orders worth some FMKs.1.2bn. which stretch into 1978.

Only the mechanical wood-processing division—and to a lesser extent pulp and paper—face a somewhat uncertain future, due to the slump in the building industry in Western markets and the temporary fall-off in demand for paper group products.

FLIGHT NAVIGATION

Decca and Smiths Industries announce the formation of Flight Navigation, owned jointly by the two companies. Flight undertakes studies of aircraft control and navigation systems—including development and manufacturing requirements.

COMPANY NEWS IN BRIEF

ALBANY INVESTMENT TRUST—Results for year ended February 28, 1975 reported April 29. Market value of investments quoted £1.12m. (£1.41m.) unquoted £11,901 (£34,372). Meeting Liverpool, on June 18, at 2.30 p.m.

BRITISH SHOE CORPORATION (Sears Holdings subsidiary)—Results for year to January 31, 1975 reported April 23. Breakdown by activity of turnover of £279.9m. and trading profit of £32.4m. shows: Footwear retailers and manufacturers £153.38m. and £22.8m., Department stores £122.15m. and £9.64m., Bakers and caterers £4.3m. and £51,000 loss; internal sales totalled £156,000. Group fixed assets £229.248 (£226.325). Group current assets £77.056 (£67.290). Group current liabilities £54.416 (£52.670). There was an increase in net cash and deposits of £1.9m. (£884,000 decrease). Meeting, 22, Park Street, W., on June 24, at 11.10 a.m.

BROCKS GROUP (security alarms and time clocks)—Results for 1974 reported April 15. Group fixed assets £5.43m. (£4.74m.). Net current assets £463,814 (£470,373). Meeting, Poole, June 18, at 11 a.m.

DINKIE HEEL COMPANY—Results for 1974 reported on April 15. Fixed assets £107,812 (£84,863). Net current assets £234,177 (£160,351). Chairman, says encouraging start has been made in 1975. Company looks forward to future with strong balance-sheet with ample liquid resources. Meeting, Bristol, on June 13 at noon.

M.M.C. INVESTMENTS—Results year to March 31, 1975, reported May 20. Quoted investments £816,035 (£586,792), valued £894,405 (£683,823). Current year results so far are encouraging in terms of profit and asset value, says chairman. East Rand Consolidated owns 45.5 per cent. of capital. Meeting, 23-35, City Road, E.C., June 17, at 11.15 a.m.

QUALITY CLEANERS—Interim dividend 1.0075p (0.68841p—total 2.77003p). Profit 36 weeks to March 29, 1975, £52,097 (£44,400), less tax £27,090 (£23,088), leaving £25,007 (£21,312).

WADHAM STRINGER (distribution and retailing of cars and commercial vehicles, etc.)—Results for 1974 reported April 22 with directors' comments on prospects. Group fixed assets £10.19m. (£8.14m.). Net current assets £2.77m. (£2.45m.). As known Provincial Laundries intends to bid for company. Meeting, Hayling Island, on June 17, at noon

مكتبة الأصل

FARMING AND RAW MATERIALS

EEC plans for world grains pact

By David Egli

GENEVA, May 27.

A THREE part international grain agreement has been proposed by the European Economic Community in a sub-group on grains of the "agriculture" group set up here by the trade negotiations committee in the present round of multilateral trade negotiations.

Market stabilisation, according to the EEC proposal, should be sought simultaneously by setting up a minimum and maximum safeguard price mechanism, and by putting into action an international stock-keeping policy. The price range, according to the EEC should correspond to the most extreme price situations, and should thus be "sufficiently wide," since its aim is not to impose a rigid price structure on the grain market. It should also be subject to revision in relation to long-term grain prospects.

Importing members would undertake to give priority in purchasing supplies to exporting members who in turn would undertake not to sell on more favourable terms to non-member countries. The reverse commitments would apply at the top end of the price scale with priority given to importing members "for their traditional import volumes."

To attack the "roots of instability," that is the short-term imbalance between supply and demand, the proposal is for a concerted stock-keeping policy to influence the volume of supply on the market. It would be up to each individual member country to maintain stocks which would be managed on the basis of consultation within the framework of the agreement.

Move to cut Australian wool price rejected

BY JOHN EDWARDS

THE AUSTRALIAN wool "floor" price—defended by support buying by the Wool Corporation—is to be maintained at 250 cents a kilo for the 1975-76 season, but only after the confidence of the wool market had been severely shaken by reports that the Australian Cabinet favoured a cut in the "floor" price to 200 cents. As a result of these reports trading was suspended on the Sydney wool futures market, because of the uncertainty created, and wool sales in Australia and New Zealand were postponed.

In the event the Australian Labour Party parliamentary caucus decided, by a majority, believed to be 56 to 29, to reject a suggestion by the Australian Government Cabinet that the "floor" price should be lowered in view of the heavy cost involved.

It had been announced earlier that the Labour Party caucus would have the final decision on the wool "floor" price for the next season, but it is believed that the Cabinet was influenced by a Treasury submission that the price support level should be cut.

The acting treasurer, Mr. Bill Hayden, told Parliament on Monday that additional support for the wool price would mean a considerable addition to the $A360m. already allocated, and his information was that the wool market would have to strengthen beyond the expectations of anyone he had spoken to if the Australian Wool Corporation was to clear its stocks.

However, the reaction from both producers and consumers to the possibility that Australia might cut the "floor" price evidently persuaded the Labour Party caucus that it would be an unwise step and Mr. K. Wriedt, the Minister for Agriculture, stressed yesterday that the Government would provide additional funds if required.

However, wool market sources suggested that most of the harm to sentiment had already been done by the reports of moves to cut the "floor" price, which might in the end cost the Wool Corporation considerably more than if the recent firming in values had been sustained. Confidence is now undermined, and a further depressing influence has been a claim that some 200,000 bales had been sold out of the stockpile recently at prices some 10 per cent. above the "floor" price level, discouraging expectations of a further price increase.

There are also some doubts about a possible devaluation of the Australian dollar and whether this could be offset by an upward adjustment in the "floor" price level.

On the London wool futures market yesterday prices were marked down sharply, but no lots were traded with buyers either on holiday or keeping out of the market. British prices have recently risen as a result of the lower value of sterling and the adjustment in Bradford from pricing on the basis of South American wool to the more expensive Australian qualities.

Price falls as a result of reports about the Australian Cabinet decision to cut the "floor" level have now been recovered to a certain extent. But there is considerable interest as to the future movement of values at this week's resumed auctions in Australia, bearing in mind that some buyers may have been frightened off and that there were signs of a decline in any event as the end of the season approached.

Last week the Australian Wool Corporation's price indicators fell by 2 cents to 273 cents a kilo, the first decline after several weeks of gradual increases from the "floor" of 250.

CHINA MAY BUY MORE MALAYSIAN COMMODITIES

KUALA LUMPUR, May 27.

China expects to buy more natural rubber, timber and palm oil from Malaysia this year.

Chinese embassy commercial counsellor, Li Fez, said his office is studying local market conditions and trade procedures.

He said until now these commodities have been imported through agents in Hong Kong but China hopes to make direct purchases eventually. Reuter

Steadier tone in lead market

By Our Commodities Editor

LEAD PRICES held steady on the London Metal Exchange yesterday, despite a fall in warehouse stocks of 25 to 26,100 tonnes, which was well below the decline in stocks anticipated. Cash lead closed £2 up at £155.5 a tonne, and the three months quotation gained £4 to £158.5.

Meanwhile the zinc market came under pressure, with the belief that it must eventually follow the direction of lead. Although as expected zinc stocks fell by 3,150 to 16,550 tonnes, the cash price lost £7 to £313.5 a tonne and the three months quotation dropped by £12.25 to £302. Support buying in the morning, believed to be on behalf of producers, was easily absorbed by sellers.

Another substantial rise in copper stocks—up by 8,750 tonnes to a new all-time peak of 237,075 tonnes—had little influence on prices, since the increase was in line with expectations. The market was buoyed up by hopes of the U.S. Mint tender for 18,000 tonnes giving some encouragement. But cash wirebars closed £1 higher at £549.5 a tonne.

A fall of 395 tonnes in tin stocks, reducing the total holdings to 5,625 tonnes, helped counteract a fall in the Straits Tin price in Malaysia over the Whitsun holiday of $M6 to $M925 a picul—only $M25 above the International Tin Agreement "floor" price.

The market is still awaiting news about the suspension of the buffer stock manager and his deputy, which was considered at the Tin Council meeting in Geneva on Friday but referred to an ad hoc committee that is due to report back to the full council on Monday.

LME silver holdings rose by 120,000 to 12,820,000 ounces.

EEC FARM TALKS

Peart warning on Irish beef stocks

BY ROBIN REEVES

LUXEMBOURG, May 27.

FEARS THAT the release of large stocks of beef building up in intervention stores in Ireland could result in the sudden collapse of the U.K. cattle and beef markets later this year were expressed by Mr. Fred Peart, the Minister of Agriculture, here today.

Mr. Peart told the EEC Council of farm ministers that he expected the beef market, after its strong recovery since March, to remain at around present levels for the next few weeks. But he was worried that a sudden increase in shipments from Ireland out of its intervention stocks totalling some 60,000 tons would totally undermine the market, particularly during the autumn.

The Minister attributed the higher prices to a return of confidence and therefore more orderly marketing by producers, thanks to the introduction of the variable premiums (deficiency payments) scheme for which he gained EEC permission last February. Mr. Peart was anxious to allay suggestions by anti-Marketeers that the Community will demand replacement of the premium scheme next year by the intervention system operated elsewhere in the EEC. Indeed, he commended the British scheme to his Council colleagues, pointing out that because of the market buoyancy, premium payments had been necessary for one week only at a total cost of £40,000.

Other EEC ministers, however showed no signs of being converted by Mr. Peart. In fact, the Irish rejected the claim that there was a return of producer confidence in Britain, on the grounds that calf prices remain weak. But with the notable exception of Ireland, other Ministers did report that their national beef markets had also markedly risen.

The hope is that this buoyancy will spread eventually across the Irish Sea, where cattle prices are still some 12 per cent. below the EEC intervention price. As a result, intervention remains the most profitable "outlet" for Irish beef producers.

On Monday, the Commission announced measures for trying to reduce the amount of Irish beef being stockpiled. They included suspension of intervention for hindquarters, a reduction of 3 to 4 per cent. in the buying-in prices for forequarters, and limits on the amount of boned-out beef accepted into intervention. Although boning-out saves space, beef in this form is proving difficult to market.

Ireland is planning to reduce its beef "mountain" also through a private trade deal with the Soviet Union for the export of some 45,000 tons of intervention beef. But Commission and British sources hastily point out that the deal does not involve any special EEC subsidy.

Ireland's basic complaint—and the reason for its difficulties—is that the CAP monetary arrangements are making it impossible for it to export beef profitably to the Continent. The monetary levy on a beef animal shipped to West Germany totals £106, on top of which has to be added transport costs. The Commission has agreed to a thorough examination of the situation, but it seems clear that once Britain's EEC referendum is out of the way, Ireland will be pressing for a further devaluation of the "green pound" which will have the effect of reducing the monetary charges on its exports to the Continent.

Asked about this possibility, which for Britain would cut EEC subsidies on food imports, Mr. Peart said that it would be needed to be looked at carefully. As Agricultural Minister he had to maintain a fair balance between producer and consumer.

The EEC may impose fines on French holders of surplus sugar if they do not sell it to the needy Italian market, informed sources said in Luxembourg, reports Reuter.

Italy protested at the EEC Agriculture ministers meeting here that EEC holders of surplus sugar are refusing to sell until July 1 when the EEC sugar price is raised by 15 per cent.

Italy estimates it still requires 100,000 tonnes and the EEC commission considers that as this amount is available inside the EEC it will not resume buying on the world market.

It was confirmed that the EEC is considering stopping intervention support for high-yield low quality wheat.

Farm commissioner Mr. Pierre Lardinois claimed it was wrong to give the same level of intervention support to feed wheat and the milled variety used to make bread.

The commission agreed to study the situation with a view to disqualifying the low grade wheat from intervention support.

Soviet drought fears recede

MOSCOW, May 27.

RAIN IN European USSR and the Ukraine has averted the threat of immediate drought affecting crops, Western agricultural experts said here.

The agricultural daily, Selskaya Zhizn's, reported rain in its crop and weather survey. It said sowing of spring crops is behind schedule in Kazakhstan but over the whole country 72 per cent. of planned spring crop area had been sown, representing 106.9m. hectares.

In Brussels, meanwhile, EEC officials said they were unaware of reported U.S. protests over allegedly excessively high Common Market wheat export subsidies. They are also puzzled about the report because EEC export subsidies on wheat and barley were actually lowered last week. Reuter

U.K. 100-mile fish limit urged

BY RICHARD MOONEY

AN EXCLUSIVE British 100-mile fishing limit was called for by Mr. Austen Laing, director-general of the British Trawlers' Federation, in London yesterday. He said the almost inevitable adoption of 200-mile economic zones by most nations would make reservation of waters an "indispensable element" of any international fishing agreement. Under this scheme vessels from other EEC countries would be excluded from the 100-mile zone while the limit against third countries would be 200 miles.

Mr. Laing noted that under the current terms of the EEC Common Fisheries Policy the U.K. would not be allowed to discriminate between British and other Community vessels fishing within its limits and that as the EEC's major fishing nation, it would therefore be "by far the biggest loser" in the Community. Present EEC thinking on compensation for this was in terms of a preferential share of total available catch quotas, which would be unacceptable to British fishermen, he said.

General distrust of quota arrangements was well founded, Mr. Laing claimed. He said the vigour of U.K. fisheries officers made "cheating" virtually impossible for British fishermen, but talks aimed at fixing quotas on the basis of previous catching performances had brought virtual admissions of earlier understatements of catches by many nations. He said "effort limitation" could be a more effective way of controlling catch levels.

Mr. Laing said even a 100-mile exclusive limit would not compensate the U.K. for the loss of the 350,000 to 400,000 tons of fish it was currently catching in middle and distant waters.

The Federation's president, Mr. A. V. Suddaby, warned that another 30 to 40 British fishing vessels would probably go out of operation this year even if the Government continued its current £6.25m. subsidy beyond the scheduled cut-off point at the end of next month — the BTF last week told port MPs that nearly 70 major fish production units had already gone out of service this year. He said the industry could collapse almost completely if the subsidy were not continued.

Brazil bank opens futures account

SAO PAULO, May 27.

BANCO Do Estado de Sao Paulo (Banespa) has opened its first account for payment abroad of initial and maintenance margins on overseas futures commodity operations.

The account is in the name of Co-operativa Agricola de Cotta of Sao Paulo, Brazil's largest co-operative.

Payments will be made through the bank's New York branch under its co-operation agreement on commodity futures trading signed last year with Merrill Lynch. Reuter

Insignificant cocoa surplus forecast

ABIDJAN, May 27.

SALES DIRECTORS of member countries of the Alliance of Cocoa Producers now estimate only in insignificant cocoa surplus for the 1974-75 season, a communique just published after their meeting here last week said.

During the meeting on May 21 and 22 they revised forecasts for their 1974-75 crops and a comparison with estimated grindings indicated only an insignificant surplus, the communique said.

The communique said the producers firmly decided to apply concrete and concerted measures to halt the present downward trend in prices. Reuter

Failure to agree jute target prices

ROME, May 27.

THE INTERGOVERNMENTAL group on jute, Kenaf and Allied Fibres has not been able to agree on an indicative price range, the UN Food and Agriculture Organisation (FAO) announced yesterday. Competition from synthetics in consuming countries and the shift to rice production in producing countries has complicated attempts to determine an indicative price range "both remunerative to growers and at the same time competitive with synthetics," the FAO said.

The group noted with concern that 1974-75 had been a particularly critical year for jute. Demand for raw jute and jute goods had been badly hit by the recession in developed countries, and competition from synthetics had intensified despite some increase in costs following the rise in the price of oil. At the same time, jute output, under the impact of sharp competition from rice in the main producing countries, had fallen by nearly 20 per cent. to only 21.23m. bales (3.82m. tonnes).

The short supplies of jute, and the need to offer growers higher prices to counter the shift to rice, had brought export prices of raw jute to uncompetitively high levels, the FAO said. The volume of world trade in raw jute had fallen substantially in 1974-75.

Despite the failure to agree on an indicative price range, the group emphasised that "the objectives of the informal arrangements remained valid," and hoped that the situation at the time of the next session, in Rome, on January 19-21, would enable agreed indicative price ranges to be recommended once again.

Producing countries said they expected that the Jute International Centre for Research, Product Development and Promotion (with a technical centre in Dacca and headquarters in New Delhi) would be formally established before the end of this year.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—See-sawed before closing marginally firmer on the London Metal Exchange but prices fell back in late Kerb trading. The fresh rise in the already record warehouse stocks figure had little market impact but prices were a shade lower in early trading owing to hedge selling in a market still lacking any worthwhile outside demand. In the afternoon, prices rallied in line with the U.S. where the market moved up following the Mint tender. Forward metal touched £569, as against the morning's £565.5, but on the Kerb the price had retreated to £564 owing to a downturn on Comex. Turnover, 16,225 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	545-.5	-3.25	549-50	+1
3 months	565-.5	-2.25	569-70	+2
Settlem't	545.5	-5.5	—	......
Cathodes				
Cash	534-.5	-2.25	538-9	+1.75
3 months	554-.5	-1.25	558-9	+2.75
Settlem't	535	-2	—	......
U.S. Smt.	—	......	*63.70	......

Amalgamated Metal Group reported that in the morning cash wirebars traded at £547.5 to 45.5, three months £566.5, 67, 66.5, 65.5. Cathodes cash £534, three months £554. Kerbs: Bars: cash £456, three months £565, 65.5. Afternoon: Wirebars: cash £549.5, three months £568, 69, 68.5, 69. Cathodes: three months £559. Kerbs: Bars: cash £547, three months £566 to 64.5.

TIN—Easier. After a steady opening owing to fresh buying of Standard cash metal, prices gave ground in line with the fall in Penang which prompted modest hedge selling. Turnover, 700 tonnes.

Morning: Standard: cash £2,987, 88 three months £3,020 to 27, 22. High Grade untraded. Kerbs: Standard: three months [illegible]

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	2980-2	-5	2975-7	-10
3 months	3022-4	-4.5	3018-20	-8.5
Settlem't	2982	-5	—	......
Standard				
Cash	2980-2	-5	2975-7	-10
3 months	3022-4	-4.5	3018-20	-8.5
Settlem't	[illegible]	[illegible]	[illegible]	[illegible]
Straits	[illegible]	[illegible]	[illegible]	[illegible]
New York	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

WOOL FUTURES

Daily 49.43 (46.69) U.S. cents per pound; Indicator 15-day average 47.80 (47.74); 22-day average 48.43 (48.39)

LONDON—Market dull and featureless, reports Bache.

(Pence per kilo)

[illegible]

also from St Laurence to the Philippines at $15 f.i.o. for May. Cargoes of barley were fixed Vancouver Japan at $13 free discharge for July and from Port Cartier to Poland at $3.65 f.i.o. for June. Elsewhere a cargo of grain was fixed River Plate West Coast Mexico at $15.50 f.i.o. June-July and South African maize shippers paid $12.25 free discharge for a cargo to Spain for June. Miscellaneous chartering included potash from Vancouver to Guayaquil at $20 f.i.o. June-July. Timecharter fixed a vessel of 12,400 tons d.w.t. for a trip from Peru [illegible]

Kent 2.50-3.00. Mushrooms—Per pound 0.20-0.25. Spring Greens—Per bag 0.70-0.80. Onions—Per 56 lbs 2.80-3.00. Apples—Per 30 lbs Bramleys 2.70-3.30. Lettuce—Per 12 round 1.40, cos 1.40. Potatoes—Per 56 lbs white 1.25, red 1.40. Cucumbers—Per tray 12 1.40, 14 1.50, 16 1.50, 18 1.50. Swedes—Per 26 lbs 0.70. Rhubarb—Per pound, outdoor 0.04-0.05. Tomatoes—Per pound 0.20-0.22.

SILVER

[illegible]

COFFEE

[illegible]

COCOA

[illegible]

SUGAR

[illegible]

FREIGHTS

[illegible]

GRAINS

[illegible]

RUBBER

[illegible]

MEAT/VEGETABLES

[illegible]

JUTE

[illegible]

VEGETABLE OILS

[illegible]

COTTON

[illegible]

PRICE CHANGES

Prices per ton unless otherwise stated.

	May 27 1975	+ or —	Month ago
Metals			
Aluminium	£396	......	£376.6
Free market cif	£275-290	......	£285-295
[illegible]	[illegible]	[illegible]	[illegible]

INDICES

FINANCIAL TIMES

[illegible]

REUTER'S

[illegible]

DOW JONES

[illegible]

MOODY'S

[illegible]

U.S. Markets

Weather depresses prices

NEW YORK, May 27.

REPORTS of good weather conditions in growing areas suggesting good crops, depressed the soyabean complex, wheat and maize, Bache reports. Silver, cocoa and sugar attracted good commission house selling.

Cocoa—Ghana spot 65½ (64½). Bahia spot—56½ (57½). July 49.40 (50.20). Sept. 47.40 (49.15). Dec. 47.50. March 47.70. May 47.95. July 48.20. Sept. nil. Sales, 627.

Coffee—Spot Santos No. 4 unquoted (same). Colombian Mams unquoted (same). "C" Contract: July 54.60 (54.50). Sept. 56.10-55.95 (56.14). Nov. 57.00-57.10 asked. Dec. 57.20. March 57.75-58.10 asked. May 58.25-58.40 asked. Sales, 200.

Copper—May 56.10 (56.30). June 55.10 (56.30). July 55.50. Sept. 56.50. Dec. 58.20. Jan. 58.70. March 59.70. May 60.70. Sales, 1,564.

Cotton—July 43.85-43.94 (45.20). Oct. 45.10-45.15 (46.20). Dec. 45.50-45.90. March 46.00 bid. May 47.50 bid. July 48.20 bid. Oct. 48.60 bid.

†Gold—May 171.70 (174.40). June 172.00 (174.70). July 177.20. Aug. 174.40. Oct. 176.80. Dec. 178.10. Feb. 181.50. April 183.90. June 186.20. Aug. 188.60. Sales, 1,753.

Greasewool—Spot 134.0 nom. (same). July 133.5-135.0 asked. Oct. 135.5-139.0 asked (136.1). Dec. 137.0-141.5 asked. March 139.0-141.5 asked. May 140.0-142.5 asked. July 140.0-144.5 asked. Oct. 140.0 bid.

‡Lard—Chicago loose 28 asked (27½ asked). N.Y. prime steam 24 nom. (25) nom.).

††Maize—July 266½-267 (274-274½). Sept. 254½-254½ (261½-262½). Dec. 240½-241. March 247½-247. May 250¼.

‡Platinum—July 149.00 (149.90). Oct. 152.00 (153.00). Jan. 155.50. April 158.20. July 161.10. Oct. 164.10-164.20 asked. Sales, 441.

‡‡Silver—454.90 (471.20). June 454.90 (471.20). July 458.00. Sept. 464.50. Dec. 474.20. Jan. 477.10. March 483.50. May 490.50. July 496.00. Sept. 502.10. Sales 5,005.

*Soyabeans—July 490½ asked (519½). Aug. 492 asked (516½). Sept. 491½ asked. Nov. 491½ asked. Jan. 497½ asked. March 505 asked. May 511 asked. July 517 asked. Aug. 519 asked.

‖Soyabean Meal—July 118.80 (123.20). Aug. 119.50-120.00 asked (124.00). Sept. 121.50. Oct. 122.50-123.00 asked. Dec. 125.50. Jan. 127.50-128.00 asked. March 130.50-131.00 asked.

Soyabean Oil—July 22.05 asked (23.05). Aug. 21.35 asked (22.55). Sept. 20.75 asked. Oct. 20.15 asked. Dec. 19.45 asked. Jan. 19.00-19.05 asked. March 18.70. May 18.50. July 18.15-18.20 asked. Aug. 17.75-18.00 asked.

Sugar—Spot 17.00 (17.50). July 16.75-16.65 (17.50-17.51). Sept. 16.85-16.91 (16.95-16.50). Oct. 15.75-15.88. Jan. 15.15 nom. March 15.15. May 14.90 bid. July 14.60 bid. Sept. 14.55-14.40. Oct. 14.30-14.25. Sales, 2,266.

Tin—324.00-349.00 nom. (324.00-370.00) [illegible]

[illegible]

Mannesmann faces a decline in demand

BY GUY HAWTIN Dusseldorf, May 27

MANNESMANN, West Germany's leading pipe and tube manufacturer, is expecting an average drop of 5 per cent in crude steel output during 1975. While this will obviously have a detrimental effect on turnover, the full extent is difficult to assess as the concern consumes most of its own output.

Crude steel output held its own in the first half according to the Mannesmann Executive Board. The group, however, is anticipating a 10 per cent. decline in volume demand in the second half.

Dr. Egon Overbeck, the chief executive, said that the first quarter had gone well enough. In contrast with general perfor*mance of the Federal Republic's* steel industry where output fell by 15 per cent. compared with the year before, pipe output went up by 6 per cent., while raw steel production was 10 per cent. up.

But this growth was almost en*tirely export based, said* Dr. Overbeck. The proportion of overseas sales in the total turnover of the group's West German operations soared from 49 per cent. in the first quarter of 1974 to a vulnerable 57 per cent.

The crunch came this month, despite the fact that group turnover in the first quarter at DM3.5bn was some 29 per cent. up on the same period of 1974. While there was still some growth in April and May, the recession *at home and "strongly declin*ing" demand abroad took their toll. "Next month we will have to cut back production," said Dr. Overbeck.

Mannesmann is therefore expecting a difficult year. This is *despite talks over a major deal* with Iran and preliminary negotiations over a substantial deal with the Soviet Union. The concern is also tentatively talking about a major project in Canada.

Although the importance of *the East European, particularly* the Russian market to the group —last year East Europe accounted for DM1.1bn. of the DM13.2bn. turnover—trade with the U.S. remains important. Here, the concern fears a substantial decline in demand.

The current economic problems *have severely hit perform*ance in the machine and plant building sectors. And this follows a year in which real growth lay well below the reported nominal 13 per cent. increase from 1973's DM3.05bn. turnover to DM3.46bn.

Particularly affected are the construction machinery and plastic operations of Demag, the Duisburg based engineering concern which was taken over by Mannesmann last year. In order *to improve the situation in the* plastics sector, Mannesmann plans to close down a plant employing 600 workers.

Last year's results, however, were pretty satisfactory. Group turnover leapt by some 31 per cent. to DM13.2bn. A sector by sector breakdown shows a varied performance. Smelter and tube and pipe making operations showed a 31 per cent. increase bringing total sales to DM3.88bn. When Mannesmann Handelsgesellschaften figures are added turnover reaches DM5.78bn.

Machinery and plant building *operations showed an increase of* 13 per cent. which brought turnover to DM3.46bn. In trade and shipping operations, turnover rose by 49 per cent. to DM5.79bn. while turnover in the research and services sector went up by 7 *per cent. to DM44m. Raw steel* production, at 5.06m. tonnes, stood some 9 per cent. over the previous year's figure.

Steel pipe and tube production by Mannesmann Roehren-Werke went up from 3.08m. tonnes in 1973 to 3.36m. tonnes in 1974. The company increased its share of the Federal Republic pipe and *tube market from the previous* year's 61 per cent. to 62 per cent. At the same time there was a steep rise in exports—overseas sales as a proportion of total output leapt from 50 per cent. in 1973 to 56 per cent. in 1974.

Overseas pipe and tube operations increased production to 323,000 tonnes in 1974. As a result, total group output rose by 10 per cent. to 3.77m. tonnes compared with the year before.

The West German operations of the group have become heavily reliant on exports for generating turnover. In 1974, exports accounted for 53 per cent. of turnover compared with 43 per cent. the previous year.

Group net profits more than doubled—they rose from DM129m. in 1973 to DM257m. The 1973 figures have been *adjusted to aid comparison to* include the results of Demag—at that time not part of the Mannesmann group. Profits of Mannesmann AG increased from DM101.3m. in 1973 to last year's DM156.7m. Of the year's profit, some DM98.7m. is being allocated to reserves, of which DM30m. is going to Mannesmann AG, DM20m. to Demag and DM45m. to Mannesmann Roehren-Werke.

The Executive Board is recommending a dividend of 14 per cent.—a substantial rise on 1973's 10 per cent. This will mean an increase of DM44m., bringing distributed profits to *DM109.1m.*

Weser slips

By Our Bonn Staff

BONN, May 27.

AG WESER, the Krupp shipbuilding subsidiary, made a somewhat reduced profit in 1974 *of DM21.9m. after tax compared* with DM27.5m. in the previous year. The turnover was also down by 7.6 per cent. to DM738.9m.

The company's management claimed that the profit was "*quantitatively smaller, but* qualitatively better," than that of 1973.

New Board for Leyland Innocenti

By Tony Robinson

ROME, *May 27.*

THE TOP level management reshuffle at British Leyland has led to a major change at the Board of Leyland's Italian subsidiary, Leyland Innocenti where Mr. David Andrews, Mr. Albert Lawrence and Mr. Pery Plant were to-day co-opted onto the Leyland Board. They replace Mr. John Barber, Mr. *Geoffrey Robinson and Lord* Stokes. Mr. Percy Plant is the new chairman of Leyland Innocenti, while Sig. Pier Giovanni Beila has been reconfirmed as managing director.

The Ryder report recommendations and the management reshuffle at Leyland has caused considerable uncertainty here which has affected *morale at the company's plant* in the industrial suburbs of Milan. Unconfirmed local press reports have said that Leyland is trying to sell off its Italian subsidiary either to an Italian group or to Nigeria.

These reports were denied to-day by the new Board who repeated Leyland's intention to maintain its Italian operations. But the management called for greater productivity in order to achieve greater penetration of the Italian and export markets. The statement also made clear that the role of Leyland Innocenti ultimately depended upon the outcome of the thorough rethinking of Leyland operations which was now taking place.

Volvo taps Dutch market

Financial Times Reporter

VOLVO IS raising Fls.50m. by means of a public issue on the Dutch capital market. The issue will be for ten years and offers *a coupon of 8¾ per cent.*, Reuter reports from Amsterdam. This is the first time a foreign borrower other than a supranational institution has been permitted to tap this market since 1962.

Spanish public sector borrowers have come to the Euromarket again to borrow substantial sums. Instituto de Credito Official, the funding institution for Spain's long-term lending banks is negotiating a $150m. five-year loan with a syndicate headed by First Boston (Europe). *Instituto Nacional de Industria* is reportedly raising a $100m. five-year loan from a syndicate headed by Chemical Bank. Both loans are said to offer spreads of 1½ per cent., an indication that spreads in the Euromarket are on the way down again.

Norges Komunalbank's DM60m. issue has been priced cent. *Indicated offering price* at par on a coupon of 8 per had been 99 per cent.

Hudson's Bay

HUDSON'S BAY announced *net* earnings for the three months ended April 30, of $C723,000 or 5 cents per share. Comparable earnings in 1974 were $C2.475m. or 18 cents per share. Revenues totalled $C254.691m., an increase *of 17.8 per cent.*

From Brussels, David Curry examines a Belgian chemical complex rooted in tradition, but flexible in its approach to the industry's current problems.

Solvay as a 'safe investment'

SOLVAY is the company whose shares you buy when you want to put something away for retirement. You know that nothing exciting is likely to happen to your investment in the way of multiplications of value, but you are equally confident that you *are unlikely to encounter nasty* surprises. Solvay, in short, is a "safe investment."

That, in a nutshell, is the image Solvay cherishes of itself. "We have a limited range of products. We concentrate on developing logically from our known strengths. We don't necessarily take advantage of any market opportunities which suddenly appear. We want to increase our dividend slowly and safely. We want to represent an investment for the ordinary solid law-abiding citizen. We don't aspire to be a Dut Pont, an ICI or a Hoechst."

This approach, as the director who recited the above catechism admitted, has its frustrations for the outsider. Solvay reveals fewer details about its operations than most other major chemical companies. The vast majority of *its products go for further pro*cessing so that the company has little contact with the consumer and so little need to present itself to the public at large.

There is no practical reason for this bashfulness except *habit, reflecting the company's* century-long existence as a private concern. That ended in 1967, when Solvay issued some 850,000 new shares to the public while the circle of private holders also sold a small package of *shares. To-day, of the 7.78m.* shares outstanding between 60 and 75 per cent. remain in the hands of the original shareholding families.

The company's main link with Britain is a long-standing association with ICI. In the mid-1960s, as the result of a pre-war trade deal with ICI, Solvay was the British concern's biggest shareholder. However, it was sold off after 1965 to raise money for expansion. The main tie between the two groups now are the Solvic joint ventures making pvc in which ICI has a minority interest.

Solvay's dividend performance illustrates the company's growth —solid and steady progress as behoves a Board which believes in good housekeeping. Over the past five years the dividend has moved from B.Frs.155 to 185 per share. This steady advance has consolidated the company's position as Belgium's second largest industrial company with a group *turnover of B.Frs.78.4bn.* (just short of £1bn.) behind Petrofina which is out on its own with sales in 1974 of B.Frs.176bn.

Solvay's sales last year produced a consolidated net profit of B.Frs.2.97bn (2.53bn.) and cash flow of B.Frs.11.7bn. (9.4bn.). Profits attributable to the Solvay Group itself were B.Frs.2.37bn. (2.05bn). Deprecia*tion was B.Frs.6.4bn.* (6.23bn.) while general and production costs were sharply increased at B.Frs.60.18bn. against B.Frs. 48.62bn. The 1974 balance sheet also carries a B.Frs.2.32bn. charge on the profits represent*ing the amount which would have* been deducted had the group been free to apply the LIFO system universally (it switched to LIFO where possible for the 1974 accounts but the 1973 figures have been restated to be comparable). It also carries extra charges of B.Frs.1.03bn.

The main contributors to sales last year were alkalis and their derivatives with 23.5 per cent., plastics with 24 per cent. and processed-plastic materials for use in, for example, construction, with 15 per cent. Chlorine and allied products brought in 10.5 per cent. Other earners included calcium products and fertilisers, peroxides and pharmaceuticals.

Geographically, Germany is the biggest market absorbing some 22.5 per cent. of sales last year. France accounted for 21 per cent., Benelux for 13 per cent. and Italy for 9 per cent. Europe outside the EEC took some 16.5 per cent. of the group's products *while the rest of the world* bought some 16 per cent. Over the past five years these percentages have remained very stable. The wide spread of manufacturing assets with relatively small operations in the market iself is an important factor in the "safety" of Solvay shares. The group manufactuers throughout *Europe, but apart from a joint* venture in Australia its only overseas manufacturing operations are in the U.S. and Brazil. Only in Germany, Switzerland and the U.S. are its products entirely free from price controls.

Essentially the company intends to develop within its present range of products. The only major new venture is in the *field of polypropylene where a* French plant will come on stream in 1976 with a 50,000-tonnes-a year capacity. This product will also be developed in the U.S. The company reckons that the leading growth points are likely to be in the polyolefins, PVC and peroxygen products. Over a five years span, apart from the polypropylene venture, investment is likely *to be heaviest in some ash plants* (an annual growth of some 4 to 5 per cent. being envisaged); polyethylene, where Solvay hopes to do better than the average 15 per cent. a year growth recorded for industry generally; and PVC *where the pace of investment is* likely to slow though Solvay still sees scope for a 10 per cent. annual growth.

Overall the company which is in the process of revising its investment plans in the light of *recession, will probably devote* around B.Frs.10bn. (£120m.) a year to investment over the next few years.

Despite last year's $80m. acquisition of the polyethylene facilities of the Celanese Corpora*tion, Solvay sees only a very* gradual expansion in the U.S. Its main priority with its new acquisition is to substitute its own process for the Phillips process currently employed.

On the prices front Solway *appears to be demonstrating less* anxiety than some of its competitors. It regards European price levels as generally tolerable although it notes a sharp decline in export prices. In some sectors, notably soda ash, it thinks that *prices will continue to advance.* Like other companies, though, it notes that customers are tending to hold back from purchases despite the low level of stocks they are carrying in the expectation that prices still have some way to come down.

On the cost side of the equation Solvay expects no substantial *raw material prices increase in* 1975-76 but is bracing itself for a steep 1977 round of increases in the expectation that there will be general economic recovery by then. Wages, which cost the company some B.Frs.19.7bn. last year, some 24 per cent. higher than 1973, are again expected to show sharp increases, the company talks of a minimum of 15 per cent.

At the moment Solvay's debt position is comfortable. Total debt, including short-term, totals some B.Frs.18.7bn. (£225m.) divided widely among the currencies of the main countries in which the concern operates, while equity is B.Frs.41.3bn. (nearly £500m.). This means there is ample scope to increase *the portion of capital derived* from debt, and the company expects to add to its debt over the next few years following the policy that companies of the group raise their finance in the country in which they operate, unless there are powerful interest rate or exchange rate arguments to the contrary.

Solvay has a number of options open to it in raising money. Calling the B.Frs.1.2bn. not paid up on C shares and recourse to the stock market both appear to be ruled out. The company says that it does not dismiss the possibility of raising money on the Euro markets. However, judging by precedent the most likely course seems the sale of short-term investments.

The Board is coy about its 1975 prospects. Last year's turnover increase reflected almost entirely price advances, not volume increases, and this year volume will cetrainly fall on the *European markets. The company* will not speculate on what this will do to profits, but market expectations are for a fall of at best a quarter and probably nearer a third. The company is insistent that the present depres*sion will have no fundamental* impact on Solvay's development, provided it proves to be temporary.

Solvay's expectations, are pitched in low key. "Historically the chemical industry has developed about 1-1½ times as fast as the G.N.P. We have no reason to assume that it will not resume this sort of growth, a senior manager explained. "Solvay will grow with it."

Dutch Paribas profits stagnate

BY MICHAEL VAN OS AMSTERDAM, May 27.

THE DUTCH subsidiary of Banque de Paris et des Pays-Bas saw its net profits remain virtually unchanged at Fls.5.2m. in 1974, compared with Fls.5.1m. the year before. The results had been affected by the narrowing of interest margins which had not shown an improvement until the end of the year.

According to the annual report published to-day, the margin improvement has now led to a *recovery of results in the first* quarter. The bank, whose balance sheet total fell slightly to nearly Fls.1.2bn. at the end of 1974, said at a Press conference here that it would continue to cautiously expand its retail activities in Holland. *It would* have 20 offices this year, spread over the Randstad as well as outside.

As part of plans to expand business, other means to attract funds would be the coming floatation of Fls.20m. capital bonds next month, of which Fls.5m. has already been pre*placed. An unusual feature of the issue is that the bonds will* be listed in Amsterdam whereas the bank's shares are not. This could change in the longer term. However, said Dr. W. Werner, chairman of "Banque" as it prefers to be known here.

Commenting on Dutch banking developments, Dr. Werner said that he did not expect further *concentration in this sector after* the acquisition of Pierson by Amro Bank. He said that foreign banks, almost all of which had no retail activities, had failed to make much impact on the Dutch scene. They were subject to the same very strict solvency requirements laid down by the Central Bank which meant that *they would need very large* capital injections from their parent companies if they wanted to substantially expand business. It was very difficult to make such sums profitable enough.

Dr. Werner did not express much concern about the arrival of the state Postbank as it would need a great many years to build up the necessary banking *expertise. As competition was* already very fierce in Holland, its arrival was superfluous from this point of view.

Commenting on the slight decline in Banque's balance-sheet total, Dr. Werner stressed that the company had been particularly cautious towards Euro-currency business after the *Herstatt affair. Banque's annual* report showed that Fls.2.3m. had been set aside for the provision against general operating risk (against Fls.2m. in 1973), while nearly Fls.2.8m. of the net profit of around Fls.5m. had been added to general reserves (Fls.2.1m.) and the dividend accounted for Fls.2.4m. (Fls.3m.).

Banque's total income had gone down to nearly Fls.28.2m. (Fls.31.4m.), while overall costs expenditure advanced to nearly Fls.18.8m. (Fls.17.5m.). This left a gross operating profit of nearly Fls.9.4m. (Fls.13.9m.), but whereas "bond price differences" had clipped off as much as Fls.4.7m. in 1973, they contri*buted Fls.0.51m. last year.*

Other News

Kawasaki work force cuts

● Kawasaki Heavy Industries plans to cut the 10,000-man workforce at its shipbuilding division by 24 per cent. up to 1977 to allow for poor business.

The reduction will be made by transferring workers to other divisions such as ground machinery or affiliated companies, it said, adding dismissals or layoffs will be avoided.

● Toyota Motor Sales Co., a sub*sidiary of Toyota Motor Co., is* planning to offer convertible debentures of Y18bn. on the domestic market in the near *future.*

● Hitachi Shipbuilding and Engineering Co. plans to cut its workforce by 1,260 workers over the next two years.

The cut, destined to combat a recession in shipbuilding which is likely to be prolonged, and *to strengthen its rationalisation* programme, will be discussed with Hitachi's 25,000-strong labour union.

● Philips Industries Holdings has announced a one-for-two issue of 16,253,684 Ordinary shares at par.

The proceeds will be used to provide additional working capital to finance expansion of operations and to compensate for the effects of inflation on the value of stocks and debtors.

Philips expects to pay an annual *dividend of 10 per cent. on the* increased capital.

● Commercial and General Acceptance is seeking $A30m. in a new issue of debenture stock and unsecured notes.

The company also reserves the right to accept oversubscriptions *of a further $A30m.*

The funds raised by the issue will be used in the ordinary business of the company and its wholly owned subsidiaries.

● Denain Nord-Est Longwy is raising its capital by Frs.86.6m. *to Frs.952.5m. by a one-for-ten* share issue at par, ranking for dividend from January 1, 1975.

● SEB shares were introduced on the Paris Bourse at Frs.625

State stake in Granges unit

By John Walker

STOCKHOLM, May 27.

STATSFORETAG, the Swedish state holding company, has acquired a 25 per cent. holding in Granges Offshore Ab., for an undisclosed sum the company announced to-day.

Granges Offshore was formed in 1974 for the development and manufacture of equipment for the transport of oil, gas and minerals by sea. The company has a share capital of Kr.40m. (£4.4m.) and is a subsidiary of the Granges iron, steel and mining group.

Granges Offshore has a 40 per cent. interest in the Norwegian company Nordland Offshore (together with the Aker group and North West Engineering), for the production of heavy steel. This project will soon be completed and is located at Sandnessjoen on the Norwegian coast.

Zanussi outlook difficult

By Tony Robinson

ROME, May 27.

INDUSTRIE ZANUSSI, parent company of Europe's largest domestic appliance group, reported a L4.9bn. net profit for *1974 after depreciation of* L10.8bn.

The company is not paying a dividend as the Board proposes to transfer profits to reserves in order to compensate for accumlated past losses. Last year's profit of L551m. (after depreciation of L10.35bn.) was also used to re*constitute reserves after losses* of over L7bn. in 1972 as the group struggled to digest loss making acquisitions like Triplex and Zoppas.

Turnover rose 25 per cent. last year to L284.4bn. with exports taking up 57 per cent. of total sales. Labour costs rose 22 per cent. to L92.8bn., while *higher bank borrowing and* interest rates pushed financial charges up to L23.5bn.

Higher sales were mainly accounted for by higher prices and the company reports difficult trading conditions over the *last part of 1974 which have* continued into 1975. This can be seen partly by the increase in the value of stocks of materials and finished goods which amounted to L67bn. at end 1973 and L113bn. at end 1974. Zanussi plants have been on short-time working this year to keep stock levels manageable.

Kockums takes hard line on tanker cancellations

BY JAMES McDONALD, SHIPPING CORRESPONDENT

BANKS WHICH have been closely involved in ship financing and who are now facing problems as a result of the *tanker industry slump may find* themselves in even greater difficulties as shipbuilders throughout the world—faced with a rising tide of order cancellations—start demanding punitive penalties for cancellations of *contracts.*

An inflexible attitude towards cancellations has already been adopted by one of Europe's leading shipyards, Kockums of Sweden. The yard has had two 360,000-ton tanker orders can*celled unilaterally by Mr. Ben*jamin Coates, the U.S. shipowner, and is now demanding from him full financial compensation.

In the case of these orders, each worth about £30m., Kockums is seeking compensa*tion of up to £20m. for each* vessel—about two-thirds of the contract price. Work on these ships in the building dock has not begun, but Kockums will claim for materials ordered, etc.

Spokesmen for Kockums said that, after negotiations with Mr. Coates, which they expected to be abortive, they would take *their claim to a Swedish arbitra*tion court, which had international status. They revealed that there was no cancellations clause built into the contracts.

With the delivery of one of its series of 360,000 deadweight ton tankers this week, Kockums hopes that the orders for the remaining 10 tankers of the same size are "fairly safe." These, with other orders, will give work to the 5,000 employees in the Malmo yard up to the end of 1977. The supertankers still on order are from the Salen group, Norwegian shipowners and a *Greek partnership, including* Livanos interests.

Meanwhile, Kockums is trying to diversify in the shipbuilding field—apart from its growing investment in forestry machinery products—and, as interest in the supertanker sags, is offering a range of gas carriers.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Amax 8½pc 1986	95¼	99½
Ashland 8pc 1987	92¼	93¼
Australswiss 8pc 1987	90½	91½
BFCE 9pc 1989	98¼	99¼
Borregaard 8½pc 1989	95½	96½
Carrier 8pc 1987	90	91
Conoco 8pc 1986	96½	97½
Consd. Foods 7¾pc 1991	85¼	86¼
Cutler Hammer 8pc 1987	92¼	93¼
EIB 9¼pc 1985	101	102
Esso 8pc 1986 Nov.	97½	98½
General Cable 8½pc 1987	88½	89½
General Motors 8½pc 1986	102	103
GTE 8½pc 1986	97½	98½
ICI 7½pc 1992	78	80
Nat. Grindlays 7½pc 1987	76	78
Pacific Light 8pc 1988	91¼	92¼
Prov. of Quebec 7¾pc 1988	90½	91½
Quebec Hydro 8½pc 1989	98½	99½
Queensland 8½pc 1987	88½	89½
Scanraff 8½pc 1988	94½	95½
Shell 8pc 1986	95½	96½
Standard Oil (Inc.) 8½pc '88	99½	100½
Tenneco 7¾pc 1987	84½	85½
Transocean 8pc 1986	97	95
TRW 8½pc 1986	94½	95½
Utah 8pc 1987	92	93
Volvo 9½pc 1995	98½	99½
NOTES		
Air France 9½pc 1982	102½	103½
Aust. Ind. Dev. 10½pc 1981	103½	104½
Barclays 7½pc 1978	97	99
Cie Nat. du Rhone 10pc '82	103¼	104¼
Du Pont 7½pc 1978	100½	101½
Esso 7½pc 1978	100½	101½
General Motors 8½pc 1976	101	102
Marubeni 9¾pc 1980	102	103
Nippon Fudosan 10½pc 1981	103½	104½
Skand. Enskilda 10½pc 1981	104	105
Tenneco 7¾pc 1979	97½	98½
Tokyo Curacao 10½pc 1981	104	105

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	79	81
Ashland 5pc 1988	78	80
Beatrice Foods 4½pc 1992	88	90
Beatrice Foods 4½pc 1992	98	100
Borden 5pc 1992	90	92
Broadway Hale 4¾pc 1987	74	76
Canon Camera 7¼pc 1989	83	85
Carnation 4pc 1987	91	93
Chevron 5pc 1988	94	96
Dart 4¾pc 1987	89	91
Eastman Kodak 4½pc 1988	120	122
Economic Labs. 4½pc 1987	81	83
Eidal 7¼pc 1989	103	105
Ford 6pc 1986	82	84
Ford 5pc 1988	76	78
Fuji 6½pc 1985	110	
General Electric 4¼pc 1987	82	84
Gillette 4¾pc 1987	82	84
Gould 5pc 1987	81	83
Halliburton 4¼pc 1987	124	126
Harris 5pc 1992	67	69
Hitachi 6¼pc 1984	108	
Honeywell 6pc 1986	77	79
ITT 4½pc 1987	70	72
Komatsu 6¾pc 1984	163	
J. Ray McDermott 4¾pc '87	133	135
Mitsui 6¾pc 1989	155	
J. P. Morgan 4¼pc 1987	123½	125½
Motorola 4½pc 1982	126	128
Owens Illinois 4½pc 1987	86	88
J. C. Penney 4¼pc 1987	94	96
Pioneer 6pc 1989	113	115
Rand Selection 6½pc 1986	104	106
Rank 4½pc 1993	42	44
Revlon 4¾pc 1987	99	101
Sperry Rand 4¼pc 1987	98	100
Squibb 4¾pc 1987	86	88
Toshiba 6½pc 1985	116	
Union Carbide 4½pc 1982	111	113
Warner Lambert 4½pc 1987	96	98
Warner Lambert 4½pc 1988	84	86
Xerox 5pc 1988	78	80

Source: Kidder, Peabody Securities.

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TRAILERS

The problems of the road haulage industry over the past year — declining traffic and growing cash flow problems — have predictably reacted on the trailer market. The fall in demand has been particularly sharp in some sectors. It all spells a period of uncertainty until industry generally stages a recovery.

One of two Crane Fruehauf bottom discharge dumpers operated by Roadstone (Ireland) near Dublin.

The new twin-end-loading Taskers low loader which features a power-operated detachable front swan neck.

Sluggish demand cuts investment

THE PROBLEMS of the road haulage industry over the last year or so have been well publicised. They have forced many hauliers out of business and caused those that remain to cut back operations sharply—sacking workers, shelving expansion plans and cutting replacement expenditure to the bone.

In this grim climate it is hardly surprising that the markets for both tractors and trailers have slumped. The effect on the lorry market has been severe, and particularly on the demand for domestic tractors, since last year also saw record penetration by European manufacturers. However, the jolt to the U.K. trailer manufacturers has been perhaps more traumatic for both technical and historical reasons.

Technically, it is easier to delay replacement of trailers than tractors, since they are mechanically much simpler. The fact that there is less to go wrong with them means that the "downtime" suffered as a result of trailer breakdown is likely to be far less than that suffered due to engine, gearbox and other failures as a result of patching up an old tractor unit and keeping it on the road. On the other hand, it must be borne in mind that the tractor unit is also far more expensive, which means that the haulier attaches less importance to the purchase of a new trailer than a tractor, and is more likely to do so "on impulse," if the right product is offered.

Historically, the downturn has been more problematic for the U.K. trailer manufacturers, because—while the cycles of the last ten years have obviously never been completely avoided—the period since 1964 has been one of growth in the wake of legislation for increased vehicle weights and lengths and the resultant growing importance of the articulated lorry.

Last year witnessed the first real faltering of growth with an estimated 19,000 "heavy" trailers going to the U.K. market compared with the peak of around 20,000 in the previous year. For the current year a number of companies have forecast a similar total to that of 1974 but this projection now seems to depend heavily on a revival in the latter half of the year about which more and more manufacturers are becoming sceptical.

The principal cause of the dull market has been the slump in demand for the "common or garden" flatback trailer, the main unit used by the small and medium-sized U.K. hauliers so badly hit by the present crisis. This unit has been the bread and butter of a number of major trailer companies. Crane Fruehauf, for example, the U.K.'s biggest trailer manufacturer, has been forced to prune its workforce at the Oldham plant where the mass flatback semi-trailer production is concentrated. In all, the company has shed around 10 per cent. of its total labour force over the last six months and the redundancies have been suffered mainly at Oldham.

Similar

Other manufacturers have had similar experiences. Nevertheless, all sectors of the market are not as flat as the basic semi-trailer. Trailer vans continue to be in demand, although order books and delivery times are down sharply from the peak, while TIR business, as a result of greater haulage activity with Eastern and Western Europe, the Middle East and Africa, remains quite buoyant.

This greater haulage activity overseas leads on to another area of the market which is showing more than a glimmer of hope in the present gloom, that of exports. The big names in the field—Crane, York, Taskers/Cravens Homalloy and M and G—have all been doing a growing amount of export business. York now sends 25 per cent. of its output overseas: Crane Fruehauf has exported almost as much, in value terms, in the first quarter of this year as it did in the whole of 1974: Cravens is building up business with half a dozen major Middle Eastern countries; while M and G sent around a fifth of its output last year to Europe and Africa.

On the home front there has been a significant shift over the last year or so in favour of the specialist producers. As the "mass" end of the business has fallen off, those willing to provide, in a buyers market, just what the customers wants on time have been able to get what orders were going.

A classic example of this tendency has been the success of relatively small companies such as Cooks Transport Services and its associate Trailer Systems in the face of competition from the very biggest U.K. manufacturers. Cooks is a good example of how service and meticulous attention to customer requirements and engineering have paid dividends. The company is now building around 500 TIRs annually, mainly on Crane chasses, in competition with Crane, with a workforce of less than 40.

Trailer Systems is extremely interesting too for two reasons. First, it is a small company run by men with extensive experience—both in engineering and sales—with the major trailer companies. This trend has been increasing as those who rode to success on the trailer boom of the middle and late sixties and the early seventies begin to strike out in competition with their former employers.

Dulling

Secondly, its management's wide knowledge of both engineering and marketing has allowed it successfully to introduce a number of foreign trailers into the U.K. market—a trend which is also likely to continue. In many ways the post-'64 boom seemed to have a dulling effect on the research and development faculties of the major companies. With hauliers crying out for units there was no urgent need to concentrate on higher specification trailers. The U.K. market was also protected from the depradations of the Continental manufacturers by higher European prices and tariff barriers. However, rapid inflation in the U.K. and entry to the EEC have changed all that. It is now even profitable to ship trailers from as far away as Canada.

For the future, the biggest boost that the trailer manufacturers could hope for is Parliamentary approval of an increase in gross vehicle weights to 38 tonnes thus stimulating business at the 4- and 5-axle articulated and "road train" end of the market. The issue of maximum weights has been a stumbling block to interstate travel within the EEC for a number of years and it seems little closer to solution now, although a recently published paper from the Society of Motor Manufacturers and Traders will, it is hoped, help to clarify the matter, environmental and road-wear arguments to one side. Nevertheless, trailer manufacturers see little hope of any legislation this year.

All in all, the trailer manufacturers are faced by an air of uncertainty. This springs from the weigh, question and the doubts of the hauliers on the issues of whether investment is worthwhile in the light of the economic and political threats of continued recession, nationalisation and withdrawal from the Common Market. If, as seems likely, next week's referendum vote goes in favour of continued market membership, the other, larger doubts will still continue. Hauliers tended much more last year to seek finance outside their own businesses as internal cash resources were eaten up by inflation. However, last year the money was not there. This year it is. The question is whether investment is worthwhile.

Peter Foster

Innovation and competition

WHEN IT comes to technical innovation in trailers there are apparently two constricting factors: the question of the hauliers' willingness and ability to pay the extra cost involved, and the sheer lack of regulations to act as guidelines. Basically the two go very much together, because if regulations existed requiring all trailers to be built with a certain feature the hauliers would not be able to opt out of paying for it. Further because their competitors would also incur the extra costs competition would be maintained and no one would lose out by making a change.

Margins

Perhaps this is the crux of the matter. Certainly any trailer manufacturer could sit down for half an hour and write down innumerable modifications all with a very useful purpose, but would it pay the haulier to have them fitted? Hauliers traditionally operate on tight margins so the extra costs of, say, fitting anti-locking brakes, although no doubt a desirable move, would seriously affect operating profits. The operator could pass on the cost to his customers, but at loss of competitiveness. So, he is very much in a cleft stick and any changes on purely social grounds will hit his pocket; cost effectiveness must be the important consideration.

Surprisingly, it is often the smaller or medium haulage companies that show the most interest in modifications. Still, the manufacturers can but offer the extras. For example, Crane Fruehauf has been offering fog hazard lights, and more recently anti-locking brakes, with very few takers for either.

So apart from the custom-built trailer (something which is becoming more common nowadays) there seems very little incentive to change. New legislation would provide the impetus for change, but as far as the U.K. is concerned legislation was finalised a long time ago, with the exception of the "double bottom" trailer set-up.

In a nutshell, "double bottom" is one tractor hauling not one trailer but two smaller ones, with the environmental advantage that once the rig reaches the outskirts of the town of destination the unit can be split up. Either smaller tractors are waiting to take the two trailers in separately, giving the driver a rest, or the tractor can take one trailer into the built-up area, deliver the goods and come back for the other.

The "double bottom" concept is basically an American one. In the U.K. the development has been taken up by Crane Fruehauf, although as such it was illegal on our roads: a law evidently dating back to between the wars with steam tractors in mind. CF started pushing for a fresh look to be taken at the legislation back in 1973, with remarkable success.

Crane Fruehauf "doubles" coupled to a DAF tractor. Recent legislation empowers the Department of Environment to issue special dispensation for the use of this type of vehicle on the highway.

The Department of the Environment undertook a study of the vehicle and by August *last year legislation* was amended allowing from April 1, last the DoE to issue special dispensation for operators to use double trailers on the road. The DoE has obviously adopted a selective approach as the trailers are very much in their infancy but CF reports contact with about four or five hauliers who are interested in operating the units.

The impression is that most of the other trailer manufacturers are now sitting on the side lines and awaiting developments. Without a doubt if the "double bottom" unit became popular other manufacturers will move into production, and there seems little reason why they should not be a success. Most of the manufacturers agree that used in the right way—that is, for long trunk runs—the double system is very promising.

Handling

One of the reasons that the double system has not been brought to this country with success before is fear over handling characteristics. Yet on road tests the double system has held its head high. In fact it handles a lot more predictably than a straight articulated set-up, probably because Crane's have employed the Dunlop Maxaret anti-locking brakes all round.

This development apart, the only way that there will be any major changes with U.K. manufacturing techniques will be new regulations, and this looks to be coming with the attempt to harmonise regulations within the EEC. Generally speaking the existing U.K. legislation is only concerned with safety, and this relates to performance with little concern for actual design. EEC rules on the other hand are very much concerned with design.

With such an exercise of this kind discussions and arguments are protracted, but some headway has been made, although this has not completely met the approval of all the U.K. manufacturers. Brakes have been one of the major changes that have so far been decided upon, which will involve a departure from the traditional three-line set-up that the U.K. manufacturers have been used to.

In short the three-line set-up that the U.K. manufacturers use provides a "dead man's" precaution in that any air leak automatically brings in the third line which will apply the brakes, thus avoiding a potential accident. EEC regulations favour a two-line system, with the added precaution of sprung brakes, which in the case of an air leak will apply the shoes. The effect seems to be the same, but as in most things everyone thinks their way is best.

There are also a great many other changes that the U.K. producers will have to make to the braking systems to conform to the EEC—for example in the time involved between application of the brakes in the cab and the actual shoes coming into contact. But perhaps the real rub for some U.K. engineers has been the alterations in component specification which has entailed buying components overseas, and the added difficulty of "going metric" a lot quicker than had been anticipated.

Braking systems apart, agreements have been reached on under-run bumpers (in an attempt to save cars or pedestrians going underneath the trailers) and pin centres for the legs. Yet there is still large areas of disagreement and compromise. A good example of the latter is an agreement reached that all the tractors should be fitted with white headlights. The French, of course, prefer amber headlights, and so a compromise was reached allowing both, which seems little different from what it was anyway.

Whether manufacturers like it or not, it is the EEC harmonisation that will produce most of the biggest basic changes for a long time, and even if the U.K. comes out of the EEC our trailers will have to conform. If we do not we will lose a large slice of export potential and U.K. hauliers going across to the Continent will face problems if their tailers cannot match up.

Other than the changes that will be forced on the industry in this way, the main innovations have been to bodies rather than basic design. This is because of the increasing demand from customers for custom built trailers. York Trailer for example introduced at the beginning of this year a frameless semi-trailer constructed of glass reinforced plastic. The advantage here is that it is particularly hygienic in that it can be easily cleaned and should appeal to food companies such as United Biscuit, which has displayed an interest.

Weight

What many of the hauliers and manufacturers alike are expecting is a change of law regarding the maximum weight of a rig. At the moment the U.K's. limit of 32 tons is one of the lowest within the EEC: if we are to harmonise an increase in the weight to say 38 tons and perhaps more would seem a natural step. This would, of course, provide a big fillip for the manufacturers.

On environmental grounds there are conflicting views. On the one hand, the number of runs could be cut down, which would save on fuel costs and reduce the number of rigs on the road at any one time. On the other, it is claimed that larger rigs would damage property by the amount of vibration set up. But in the long run the protagonists of larger units look set to win the argument, particularly if the U.K. remains part of the EEC, which will be good news for the manufacturers.

Terry Garrett

Few casualties so far

Taskold refrigerated box van semi-trailer from Cravens Homalloy (Preston).

WHEN A market takes a severe dive after ten years of almost continuous growth—which is the picture presented by the trailer market at the moment some casualties might be expected. And casualties usually produce a radical change in the structure of the industry because either holes appear or rescue mergers take place and larger groupings spring up. So far the trailer market has been free from such traumas and there are no rumours that any such shake-up is on the way.

The question remains, therefore, how have all the little manufacturers survived the current recession in a market place dominated by two giant companies? It is the smaller concerns which count the general hauliers among their main customers and, in turn, it is the general hauliers which have been suffering most from the malaise in the transport industry.

Escaped

But the small manufacturers are also heavily involved in the specialist end of the business which has escaped the worst ravages of the depression. In normal times it is the small trailer manufacturers who can do those jobs too expensive for the big boys, who have mass-production needs and methods, to cope with. By keeping their overheads to a minimum, the smaller manufacturers have been able to take on this business and make it pay.

Whether the small concerns can continue to hold out until the middle of next year when the optimists feel trade will brighten up is a matter for conjecture. Certainly in the past they have provided a highly useful service in a fast-developing market.

It should be remembered that volume production of trailers in the U.K. did not start until around ten years ago. "Volume production" in this context means an annual output of 10,000 or more vehicles.

The entry of two companies with heavy North American influences behind them, helped revolutionise the business in Britain. They created the demand and at the same time left some small gaps for the smaller fry to fill.

Largest of the U.K. trailer manufacturers is Crane Fruehauf (CF) which has more than 50 per cent. of the market—a percentage that continues to grow as the total market shrinks.

One-third of Crane's shares are held by the Fruehauf Corporation of the U.S. Obviously this gives the company access to American technology and production methods, benefits it is hard to quantify in terms of hard cash. On the other side of the coin the U.K. company does have to limit its export aims in France and Germany because of the local Fruehauf operations there. This has spurred on its efforts to attach Eastern Europe, Scandinavia, the Middle East and Africa, however.

In 1974 CF clocked up a 22 per cent. increase in turnover to £35,276,000 while profits before tax rose 27 per cent. from £1.733m. to £2.202m.

This was something of a recovery situation in that the company had difficulty a couple of years ago when it became too deeply involved in the container market. In 1971 the container side turned in a loss of £815,000, jumped back to a £500,000 profit the following year, only to slip into a "substantial" loss in 1973. So the company converted its container line at North Walsham to the production of van trailers, a move completed towards the end of 1973 and the 1974 results were the first to reflect the change.

CF makes skeletal and platform skeletal semi-trailer equipment and it is also the dominant force in TIR tilt trailers. The rest of its range runs through frameless van trailers, tippers and dump trucks, tanks and low loaders. One of its latest developments is a highly-advanced vehicle involving a semi-trailer with an attached draw bar trailer and incorporating features like closed-circuit television and which can be split on the outskirts of urban areas into two smaller units.

Crane's major rival is York Trailer which has around 22 per cent. of the total market against Crane's 50 or so. Last year York made taxable profits of £1.303m. (up from £1.254m.) on sales of £17.997m. (up from £14.264m.).

A feature which York says gives it an edge in competitive terms and profit potential is that "more of York goes into a York trailer." In other words, York makes all its own axles and suspension systems and also sells a large number of components to other trailer makers. This vertical integration, the company says, can only be good for its competitive position, not only in terms of prices but also because it will be less liable to externally inspired production disruptions.

Most of the other manufacturers, including CF, rely mainly on Rubery Owen for their components. There are other smaller component manufacturers in the U.K. and there are always the German suppliers ready to provide—although their prices are much higher.

York is also heavily involved in the service side of the trailer business. The company estimates that around one quarter of the value of the domestic trailer market is in the parts, service and conversion side. Its interest in parts goes as far as a fleet of sales trucks which visit the hauliers "on spec."

A major part of the remaining share of the market is accounted for by Taskers/Craven-Homalloi, a John Brown subsidiary. This, the largest of the wholly-U.K.-owned trailer makers, manufactures vans along the Freightmaster lines, an area in which it competes with York. TIR tilts, tippers and refrigerated vans. Taskers has been relying on its involvement with specialised equipment to maintain its production growth as demand for standard flat trailer equipment falls away.

Specialist

At the very specialised end of the trailer market there are companies like Dyson, which makes trailers for the aviation industry and the oil companies; Freight Bonalack, whose ultimate parent company is Alcan and which is a specialist in the refrigerated semi-trailer field, and Merriworth.

The only major change among the trailer makers in the U.K. of recent vintage was the acquisition of Peak Trailer by Trailor SA, the French subsidiary of the Pullman Corporation of the U.S. Peak has around 5 per cent. of the British market so this was not an insignificant move by an overseas manufacturer.

The other U.K. companies tend to see this as a North American invasion rather than one from France—because that is where the technology will be coming from in the long run.

Apparently Trailor's move into the U.K. market had been expected for some time. Crane said at the time, for example, "This fits in well with the oft-publicised European ambitions of the Pullman-controlled Trailor group." Crane also hinted that the extra competition might be a good thing for the British market.

Unfortunately for Trailor, its entry to the British scene could not have been more unfortunately timed. Like the other manufacturers it has had to cut back production and its workforce—but it is still turning out ten trailers each week.

Kenneth Gooding

Rapid growth on the rental side

THE RENTAL SIDE of the trailer market has grown rapidly during the past few years to supplement the more traditional methods of outright purchase and leasing. The total number of rental days has probably doubled over the past couple of years. There was a big jump during 1973 in particular, with a rise of more than 50 per cent.

The use of the rental day form of measurement is slightly misleading since it may reflect increased use of trailers rather than necessarily a corresponding increase in the actual number of trailers in the rental market. But the latter figure also appears to have increased sharply during the past couple of years, albeit less dramatically than the rental days total.

The rental market is still, however, only a small part of the whole trailer industry. Exact and up-to-date figures are not available—partly because of the fragmentation of the sector—and there has been a cutting back recently in the size of certain rental fleets because of the economic situation. But the total for rented trailers can certainly be numbered in thousands, rather than in tens of thousands, and is probably now only equal to about 5 per cent. of the total trailer population in the U.K.

Trailer rental is essentially a short-term operation — frequently covering perhaps one or two months—though an agreement may last up to a year or more. There are a whole series of reasons why hauliers or industrialists seek to rent, rather than buy or lease.

One of the main influences is seasonal, reflecting the variations in demand for a haulier's services over the course of a year, notably around the peak December pre-Christmas delivery period. This leads hauliers to rent in order to cope with additional inquiries, rather than buy or lease further trailers which would not be required at other times of the year, when demand is slacker, and would merely be idle extra capacity.

Workload

There are also fluctuations in the hauliers' workload resulting from unexpected short-term orders placed suddenly—and again renting is better for the hauliers than outright purchase of leasing since theadditional trailers might not be required later.

Hauliers may also need to rent because of unexpected breakdowns of vehicles, or where trailers have to come off the road for regular servicing or an overhaul. Again, renting provides a convenient cushion of additional capacity — without permanent commitment—against unexpected influences either on demand for the hauliers' services or the availability of his vehicles.

The rapid growth in demand for renting trailers in the 1973-1974 period seems to be explained — at least in part—by the problems hauliers faced in obtaining new vehicles. During 1973, and the early months of last year, there were frequently lengthy delays over the delivery of new trailers from manufacturers, so hauliers had to make short-term rental agreements if they were to fulfil their commitments to their own customers. The problems faced by manufacturers, caused by a shortage of raw materials and components, have of course eased considerably since then, but so has the demand for trailers.

Looking back, it is now possible to see that the rapid growth in the rental section of the market owed a lot both to the unexpected general upsurge in demand for hauliers' services, and their consequent short-term under-capacity, and to certain blockages on the manufacturing side which have since disappeared.

Activity has slackened off quite markedly in the last year —leading to cutbacks of rental fleets by certain major companies in response to the changed demand situation in the haulage market. But the main manufacturers and fleet operators generally have the flexibility which allows them to switch vehicles from rental to sale or leasing, while trimming back their production for the home market.

This downturn may turn out to be only a temporary break in the longer run growth of the rental sector which is reckoned by many in the industry to have considerable potential for an increasing share of the whole trailer market. In addition to the reasons outlined above, it is significant that a number of major companies offering trailers for rent have recently been stressing the attractions of renting as a means of conserving capital at a time of general liquidity pressures and financial uncertainty. Indeed it seems possible that renting may expand at the expense of leasing, though they are not really alternatives over the longer term.

Of more importance to haulage companies which want to take on trailers for more than a few months is contract hire, and it is really the effective alternative to leasing. A number of companies offer package deals of six months or more with the maintenance and replacement of trailers included in the agreements. If the contract is for a long period the user may be able to put his livery on the vehicles. The wider range of options in this contract have obvious attractions to the haulier, and some, though not necessarily the largest, trailer companies include a purchase option in the rental or contract hire agreement.

Fragmented

The trailer rental market is pretty fragmented, with a large number of small operators with small rental fleets. But the largest force in this market, as well as in the trailer industry as a whole, is Crane Fruehauf, whose Rentco Nationwide subsidiary operates in the rental and contract hire field. Rentco, whose headquarters is in Hayes in Middlesex, has well over 20 depots covering the whole country, including the port areas of London, Liverpool, Cardiff, Southampton, Bristol, Felixstowe, Immingham, and Hull, plus Central Lancashire, the Midlands, Nottingham, West Yorkshire, South Wales, Teesside, and Glasgow. Among the range of semi-trailers offered by Rentco are dry freight and reefer vans, flat platforms, skeletals, TIR tilts, curtain-sided, tippers, and low loaders.

Other leading companies in this field include York Trailer, Taskers, and Transport International Pool, which has an extensive network of European branches and offers trailers ranging from flat platforms through skeletals and box vans to tilts and refrigerated units. TIP also says it is willing to rent for periods from 24 hours to ten years.

On the other side of the picture, professional haulage companies account for the bulk of the renters' business — perhaps as much as 80 per cent. of the rental market—with own-account customers taking only about 20 per cent., though these proportions could change in time.

Peter Riddell

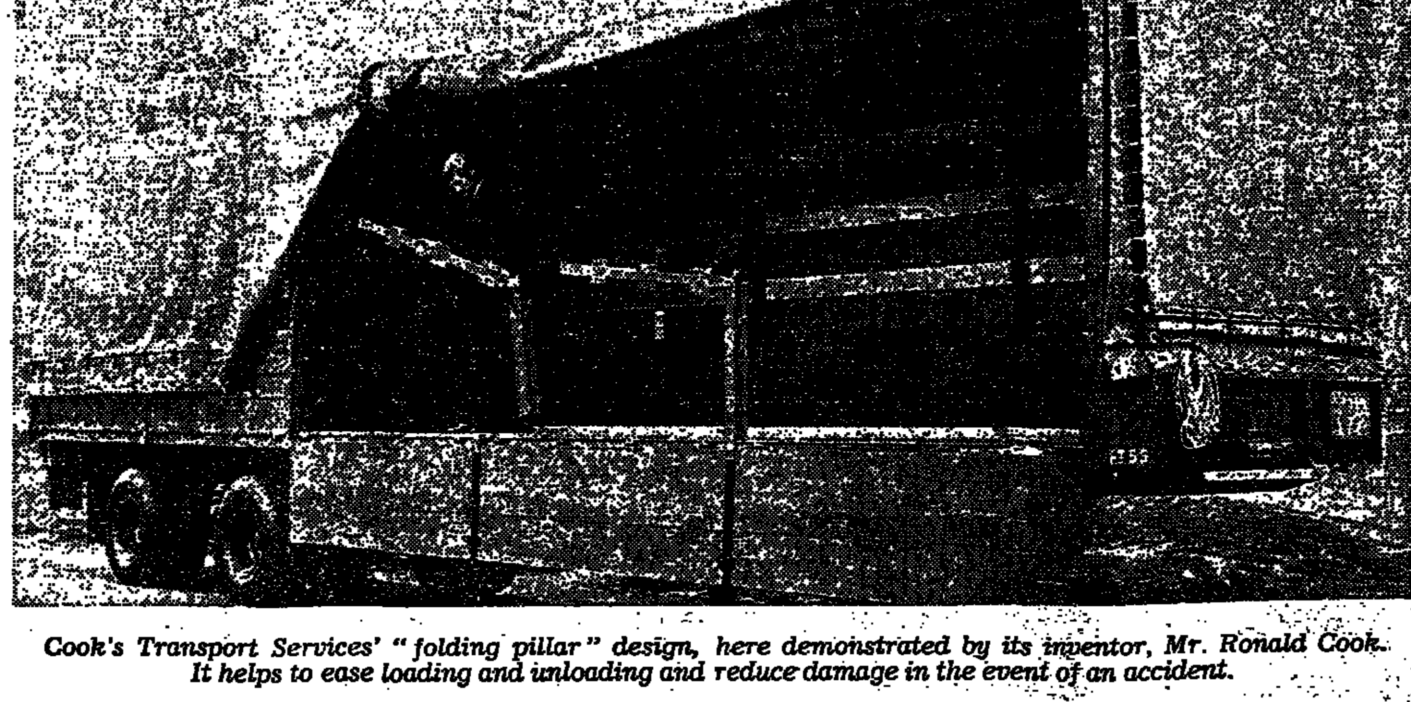
Taskers semi-trailer in operation with Eurofleet Rental.

Growing list of regulations

ROAD HAULAGE is an area which has attracted a vast amount of Government interest over the past few years. This is understandable in view of the problems concerning accidents, congestion and pollution which could arise from uncontrolled road traffic. But it means that the legislation relating to these activities is becoming increasingly complex. In its 1975 Yearbook the Freight Transport *Association lists no fewer than* 38 different areas where legislation has been passed to control the activities of both manufacturers and operators.

These regulations are usually welcomed by the industry and although strict adherence to them may often prove tedious they do normally tend to promote greater efficiency and safety. Indeed, the main principle behind most of the regulations is the development of the latter, and this aim was helped by the Health and Safety at Work Act of 1974. This Act empowers the Factory Inspectorate to examine the loads of commercial vehicles and trailers and laid down specific rules governing the carriage of dangerous loads, particularly those which contained inflammable and corrosive substances.

These regulations also *stipulate that all employers* should provide their employees with copies of the rules applying to dangerous loads and that all vehicles carrying these should display the prescribed notice both at the front and the rear. Additional notices showing the names of the substances carried must also be displayed on the sides of tank wagons, trailers and compartments.



Cook's Transport Services' "folding pillar" design, here demonstrated by its inventor, Mr. Ronald Cook. It helps to ease loading and unloading and reduce damage in the event of an accident.

Braking

These regulations apply particularly to operators of commercial vehicles but the manufacturers also have many strict rules which they must follow. Perhaps the most important of these are those which apply to braking systems and they provide a good illustration of just how complicated the legislation on commercial vehicles and trailers is. There are two separate sets of rules for those vehicles which were constructed before and after January 1, 1968, and for the latter there are two sets of braking standards — for two-axled rigid vehicles and multi-axled rigid all articulated vehicles—which must be complied with.

Another requirement of the construction regulations is that a plate showing the manufacturer's name, vehicle and engine type, chassis number, number of axles and axle, as well as the gross, train and imposed weights, has to be fitted to every vehicle or trailer.

To add to the confusion of regulations, U.K. manufacturers and operators are now having to prepare themeslves for the different rules which apply in the EEC. There has been a certain amount of harmony between the U.K. manufacturers and those in Western Europe over the last few years but there are still a few areas where the legislation does not correspond and any manufacturer who has not already pre-empted the changes will have to move fast in order to comply by the deadline of January 1, 1976—given that we are still members of the Community.

The areas where the U.K. differs most from the EEC are in those rules which apply to operators. In some respects the U.K. could claim that it is ahead of the EEC in its legislation, because the latter is still enforcing a licensing law controlling the level of competition in any one area. The U.K. scrapped a similar rule seven years ago in the 1968 Road Traffic Act.

However, there are other areas in which the EEC may consider that its regulations are ahead of ours. The most important of these is probably the legislation which governs the length of journeys, the time that a driver is allowed to spend behind the wheel in any one day, and the length of rest time which must be taken between driving spells. These rules depend largely on the size of the vehicle and the weight of the load being drawn, but by and large the EEC's demands are more stringent than in the U.K.

As said before, safety is the principal aim of most road traffic legislation, but as with other driving regulations the people for whom they are designed to offer protection are sometimes very reluctant to accept them. This is probably because an inevitable result of safety precautions is a higher cost of manufacturer and operation.

However, there can be little doubt that the rules in force in the U.K. over the past few years have had the desired effect on the rate of traffic accidents. In the 1960s more than 300 people were killed or injured for every 100 miles of road travel, which is equal to one serious accident for every 330,000 miles of travelling. By 1971 the rate had fallen to 200 accidents for every 100 miles, or one accident for every 493,000 miles travelled.

Further examination of the traffic accident statistics shows that the rate of improvement has actually increased since 1970 and that seems to owe a good deal to the restrictions *which were first introduced in* 1968. These included a new system of licensing for operators. Since 1968 anyone wishing to set up in business as a road haulage contractor has had to inform the licensing authority of the number of vehicles and trailers he intends to use. An official from the licensing authority will then inspect the depot to make sure that it has sufficient facilities for maintaining the number of vehicles which have been reported. The authority will also ensure that the condition of the vehicles is up to the required standard and that all drivers have been properly tested and possess the necessary licences.

It may look as if many operators and manufacturers are only taking safety measures because they are forced to do so. That is certainly not true of the leading groups in this *country.* Indeed, there have been times when legislation has actually been prompted by the development of safety devices by manufacturers. This is well illustrated by the recent development of braking systems.

Although trailers and heavy vehicles are now capable of moving at quite fast speeds, and indeed have had their speed limits lifted, the same rules apply to braking systems now as did when the speed limit was 30 mph. This however, has not stopped manufacturers developing braking systems which are better equipped to deal with faster speeds.

Experiments

It may also appear that there is little scope for further legislation on the construction and use of commercial vehicles and trailers. However, as the development of these continues and loads become heavier and bulkier so the Government must amend its legislation accordingly. Moreover, the recent controversy over the use of "juggernauts" illustrates the need for swift Government action in the sector. It is to be hoped that the new legislation, contained in the 1974 Road Traffic Act, which gave the Minister responsibility to authorise controlled experiments in road haulage, will enable the Government to maintain a very close relationship with the industry.

Tom Kyte

Financing methods under scrutiny

THE ECONOMIC conditions and the cash shortages of the past 18 months have led to a critical analysis by road hauliers not only of their replacement policies but of the means of finance which they use to bring them into effect. Hauliers have been badly squeezed by the fact that *both their capital and running* costs were rising faster than they could put up their rates, with the result that cash flow disappeared and many companies were forced out of business.

With internal funds lacking it was inevitable that a greater percentage of hauliers should turn to external finance for their new tractors and trailers. Indeed the proportion of hauliers turning to the clearing and merchant banks* and the finance houses rose considerably in 1974 and many family businesses found themselves going outside the company for large-scale loans for the first time.

Until the end of 1973 and the start of the fuel crisis, just under a third of trailer sales were financed through "traditional" bank and finance house sources. This figure also includes sales to rental companies, so externally financed sales to "pure" haulage companies probably did not account for much more than a fifth of the total.

However, the impact of the three-day-week on this high fixed overhead business along with a subsequent decline in the demand for transport services as the country slipped into recession caused a sharp fall off in utilisation of fleets. At the same time, demands for wage increases and the rocketing price of fuel spearheaded running cost escalation and the haulier found himself cast as the nut in the nutcracker.

Internal funds disappeared *and the haulier, when replace*ment became essential or genuine expansion opportunities appeared—although few and far between—found that he had to make the trip to his bank manager. The proportion of units financed externally thus jumped by over 50 per cent. last year compared with 1973.

On top of this, there has been a fundamental change in the mix of financial methods used, with rapid growth in the tax leasing side—particularly in the last quarter of the year—which is still continuing.

The advantages of leasing, at least as far as the lessee is concerned, have been emphasised dramatically over the last 12 months or so. The cost of new trailers has escalated rapidly, thus increasing the value of first year allowances from the Government, while the profits against which to set these allowances have disappeared.

This in turn has served to highlight the classic advantage of tax leasing, that it enables companies without current profits to take advantage of 100 per cent. first year allowances through the medium of a leasing company. The leasing company undertakes to buy specified equipment on behalf of the haulier who then has its sole use and pays the lessor a series of rentals. This sytem also has the advantage that the cost of the equipment is met out of the positive cash flow which its use creates.

Pressures

This is all very well for the lessee, providing that he can get the right rate for the lease, but the attraction to the leasing companies of any sort of leasing business at "reasonable" terms declined sharply last year. Lessors found themselves under the same sort of pressures as their clients, with their own "capital allowance cover" disappearing with their profits.

The tendency for large manufacturing companies to form finance subsidiaries has grown rapidly in the last few years. Manufacturers have also shown themselves to have considerable reserves of financial creativity, hatching new schemes in order to get their sales moving in the dull markets of last year.

York, for example introduced a rental-with-option-to-purchase scheme last September which *has proved popular. Trailers* are rented out to hauliers, who, after a period, can decide to either hand them back or purchase them at a discount. This means that the haulier short of funds can get trailers on the road now on rental without excluding the possibility of taking them into his fleet on a permanent basis.

Cravens also introduced a similar plan less than a month ago. Called the RPS plan it enables operators to purchase the rented trailer after a period of 12, 15, 18, 21 or 24 months. The monthly rental is based on 5½ per cent. of the basic trailer cost. Then, for example, if the customer decides to buy after a period of one year, he is refunded with two-thirds of all rentals paid. The balance payable then equals the original net cost of the trailer, less the refund.

The revamped finance arm of Crane Fruehauf, too, has increased activities over the last couple of years. Although the proportion of external sales financed by the company was only 4 per cent. last year this represented a 50 per cent. increase in new advances on the previous year and Crane has noticed a renewed interest in its finance services over the last month which, it hopes, may herald the light at the end of the tunnel for the whole trailer market. Crane aims, in the medium term to finance around 20 per cent. of its sales with its own finance arm.

Contract hire has been another form of finance which has continued to grow in popularity despite the depressed market, offering as it does, not only the use of trailers but also the possibility of hiving off many of the problems of transport management.

By a Correspondent

Exports provide a freshener

CONTINUED GROWTH in the fields of trailer exports and international road haulage have emerged over the past 18 months as two oases in the extremely barren U.K. trailer market.

Oasis is in fact an advisable word since it is trade with the oil-rich sheikdoms of the Middle East and with countries like Iran and Libya which has suddenly offered hauliers both the richest pickings and the greatest dangers.

The Arabs' oil surpluses have meant a massive increase in desire both for increased consumption and capital investment. Tales of refrigerated TIR trailers packed with chocolate eclairs for the Persian Gulf may not be entirely typical but they are symptomatic of the fact that the Arabs are now in a position to indulge their taste for British goods and will pay handsomely to do so.

But the road to the Gulf is a hard one, involving a round trip of more than 9,000 miles, which can take as long as a month. For the inexperienced driver who has never undertaken such a venture, the first trip on such a route can be harrowing experience which he often does not wish to repeat. The need for the filling in of myriad forms, the paying of multiple bribes and the vast stretches of the journey which have to be made without roads and on compass-based navigation, have broken the spirit of several hauliers who saw the Arab States *as the pot* of gold at the end of the rainbow.

The pot of gold theory has unfortunately tempted a number of "cowboys" on to the Middle Eastern run. These operators have in most cases rented their trailers and when their sense of purpose has faltered before the vast obstacles of the journey they have often simply left their rigs, sometimes literally in the middle of the desert.

This problem has been highlighted by Mr. Roger Williams, head of Willhire, the Suffolk-based rental firm. He is soon to head what can only be described as a search party to go out and look for abandoned units in Turkey and the Middle East, and attempt to bring them back. A number of rental companies specify the areas to which their units may travel but it is not easy to regulate such contractural conditions.

However, other private hauliers seem to have cracked the formidable problems involved in transport to the Middle East and are now reaping rich rewards. For example, the Gravesend-based Oryx Freight lines has forged very strong links with one of the largest Arabian commercial empires and now has 30 Volvo-powered units running regularly to Kuwait, with a service which continues to Dubai.

Healthy

For the trailer manufacturers themselves, the volume of export business over the last year or so has shown healthy signs of maintaining its growth rates. British trailer manufacturers have been selling their products hard in Europe, Africa and the Middle East, and the rewards are now being reaped, although the export trail is still far from a bed of roses.

One of the major manufacturers pointed out recently that many overseas countries realise that the U.K. is desperate for exports in its present situation and they are putting the squeeze on accordingly.

Nevertheless, export performances all round are impressive. *Crane Fruehauf has* sold almost as much overseas in the first quarter of 1975 as it did in the whole of 1974. Crane Fruehauf Overseas—CF's export arm—landed two major contracts in the first three months of the year. First Hungarocamion, the Hungarian State Transport Organisation, ordered 100 refrigerated trailers, then an order for 200 tilt trailers was obtained from Seaman Pak of Tehran. These orders bring the first quarter's export business to almost £4m.

York too continues to do a thriving export business. The company reckons that around a quarter of output is currently going overseas and the spearhead of the export effort is very much centred in the Middle East and Africa. Almost a third of total exports are now going to these two areas, which is twice the proportion of just a year ago. York has always concentrated a great deal of sales effort on export markets and this is now beginning to pay off. In value terms York last year exported as much as the larger Crane Fruehauf, and the North-Allerton-based manufacturer has doubled its export volume over the past four years.

Cravens Industries' wholly-owned manufacturing subsidiaries—Cravens Homalloy and Taskers Trailers — which *together* hold around 15 per cent. of the U.K. articulated trailer market, have recently won contracts for trailers and vehicle bodies from Iraq, Dubai, Kuwait, Bahrain, Abu Dhabi and the Lebanon, and have also received orders from British tractor and chassis manufacturers which will be subsequently despatched to the Middle East.

M and G Trailers, which is part of the J and J. Dyson Group of Companies, last year sent 280 *units out of a total out*put of 1,400 to countries such as Denmark, Holland, Switzerland, Austria, Libya, Kenya and Nigeria and expects further growth of business with these countries.

One of the real threats to British trailer manufacturers in the export market is the U.K. rate of inflation, which is now running at twice the level of many of our trading partners. Although the effect of price increases has been alleviated to a certain extent by the downward float of sterling, the compensating effect has not been complete and there is a danger that lack of competitiveness may damage trailer export markets. The recent threat of a further increase in the price of steel this year has not done much to inspire confidence. Nevertheless trailer exports and the golden road to the Middle East, if they do not completely offset the problems of the domestic market at least provide a counterweight which could grow in importance over the next few years.

Peter Foster

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MONEY MARKET

Some interest rates fall

Bank of England Minimum Lending Rate 10%
(Since May 2, 1975)

Short-term interest rates were weaker in some cases in the London money market yesterday, against a background of uncertain flows of day-to-day credit. The one-month sterling certificate yield fall to 9⅝-9$\frac{7}{16}$ per cent., from 9⅞-9½ per cent., and the three-month to 10-9⅞ per cent., from 10$\frac{1}{16}$-9$\frac{15}{16}$ per cent. though the 12-month was unchanged on the day, at 11⅛-11⅛ per cent. The market balanced its books without official intervention. Identifiable factors suggested that the day-to-day credit supply was more than sufficient for bills to be closed without official help, but in some quarters there was difficulty in finding the necessary balances. Government disbursements were greater than revenue by an appreciable amount, transfers to the Exchequer with payments on local authority account a substantial element. The fact that some local authorities were on holiday, however, may have helped to unsettle the market. Factors weighing against the market's favour included bill transactions.

Discount houses paid 8¼-8¾ per cent. for secured call loans in the earlier part, but late balances fetched 9¼-9¼ per cent. In the inter-bank market, overnight loans ranged from 9¼ to 10½ per cent.

Rates in the table below are nominal in some cases.

May 27 1975	Sterling Certificates of deposits	Inter-bank	Local Authority deposit*	Local Auth. negotiable bonds	Finance house deposit	Company deposits	Discount market deposits	Treasury bills ‡	Bank bills ‡	Fine trade bills ‡
Overnight	—	9-10½	9-9½	—	—	9¾-10¼	8½-9½	—	—	—
2 days notice	—	—	9-9¼	—	—	—	—	—	—	—
7 days or 7 days notice	—	9⅛-9½	9-9½	—	10-10¼	—	9-9¼	—	—	—
One month	9⅝-9⅛	9½-9¾	9½-9⅝	10¼-9	10-10¾	—	9	9⅝-9⅛	9½-9⅝	10¾-11¼
Two months	9⅝-9⅝	9⅞-9¾	—	10¼-9⅝	10¼-11	—	9¼-9½	9⅛-9⅞	9¾	10½-11¼
Three months	10-9⅞	9⅞-10⅛	10-10¼	10¾-9½	10½-11¼	—	9½	9⅞-9⅞	9⅞-9⅞	10⅝-11¼
Six months	10⅜-10¼	10¼-10⅛	10⅜-10½	10⅞-9⅞	10⅞-11⅝	—	—	—	10½	10¾-11½
Nine months	10⅜-10¾	10¾-10⅞	—	11½-10⅜	—	—	—	—	—	—
One year	11⅛-11⅛	11-11⅛	12¼-12⅜	12-11½	—	—	—	—	—	—
Two years	12⅛-12	12-12½	13¼	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice; others seven days' fixed. *Long-term local authority mortgage rate nominally three years 13¾ per cent.; four years 13¾-14¼ per cent.; five years 14¾ per cent. ‡ Bank bill rate in table is buying rate for prime paper. Buying rate for four-month bank bills 10$\frac{1}{16}$-10¼ per cent.; and four-month trade bills 10¾-11¼ per cent. Approximate selling rate for one-month Treasury bills 9¼-9$\frac{5}{16}$ per cent.; two-month 9$\frac{5}{16}$-9$\frac{3}{16}$ per cent.; three-month 9$\frac{5}{16}$ per cent. Approximate selling rate for one-month bank bills 9¾-9¾ per cent.; for two-month 9¾ per cent. and three-month 9$\frac{11}{16}$-9¾ per cent.; for one-month trade bills 10-10½ per cent.; two-month 10-11 per cent.; and three-month 10-11 per cent.
Finance House Base Rate (published by the Finance Houses Association): 10½ per cent. from May 1. Clearing Bank Deposit Rates for small sums at seven days' notice: 6¾ per cent. Clearing Bank Base Rates for lending: 9½ per cent. Treasury Bills: Average tender rate of discount 9.4765 per cent.

BASE LENDING RATES

AFI International	9½%
Allied Irish Banks Ltd.	9½%
Anglo-Portuguese Bank	10 %
Henry Ansbacher	10½%
Banco de Bilbao	9½%
Banco de Jerez	10½%
Bank of Cyprus	‡10 %
Banque du Rhone S.A	10 %
Barclays Bank	9½%
Barnett, Christie Ltd.	11 %
Bremar Holdings Ltd.	10½%
Brit. Bank of Mid. East	9½%
■ Brown Shipley	10½%
Cayzer, Bowater Co. Ltd.	10½%
Cedar Holdings	11 %
■ Charterhouse Japhet	10½%
C. E. Coates	10½%
Consolidated Credits	12 %
Continental Trade Bk.	9½%
Co-operative Bank	* 9½%
Copleys Bank	11½%
Corinthian Securities	9½%
Credit Lyonnais	9½%
G. R. Dawes	10¾%
Duboff Brothers	11½%
Duncan Lawrie	10¾%
English Transcont.	11½%
First London Secs.	9½%
■ Antony Gibbs	10 %
Goode Durrant Trust	10 %
Greyhound Guaranty	9½%
Grindlays Bank	10 %
■ Guinness Mahon	10½%
■ Hambros Bank	9½%
Hawtin & Partners	13 %
■ Hill Samuel	§10 %
C. Hoare & Co.	† 9½%
Julian S. Hodge	10½%
Industrial Bank of Scot.	9½%
Jacobs, Kroll	11½%
Keyser Ullmann	10½%
Kinghurst Securities	12 %
Lloyds Bank	9½%
London & European	11½%
London Mercantile	11½%
Midland Bank	9½%
■ Samuel Montagu	9½%
■ Morgan Grenfell	9½%
Morris Wigram Ltd.	11½%
National Westminster	9½%
Northern Comm. Trust	11½%
Norwich General Trust	10 %
Portman Guaranty	11 %
P. S. Refson & Co.	9½%
Rossminster Accept'cs	9½%
Royal Trust of Canada	10½%
E. S. Schwab	11½%
Security Trust Co. Ltd.	11 %
Shenley Trust	11½%
Standard & Chartered	9½%
Sterling Credit	12 %
Stewart Salmon & Co.	9½%
Thames Guaranty	12 %
Trade Development Bk.	9½%
Twentieth Century Bk.	11½%
United Bank of Kuwait	9½%
Wallace Brothers Bank	10½%
Whiteaway Laidlaw	10 %
Williams and Glyn's	9½%
Yorkshire Bank	9½%

■ Members of the Accepting Houses Committee.
* 7-day deposits 6½%. 1-month deposit 6½%.
† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 6¾%, and over £25,000 7½%.
‡ Deposit Base Rate 9½%.
§ Demand deposit 7½%.

I.G. INDEX
GOLD 171½-174½

CORAL INDEX
Close 352-357

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and The Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section.)

	Group	Tues. May 27, 1975 Index No.	Day's Change %	Est. Earnings Yield % (Max.) (Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) (Corp. Tax 52%)	Est. P/E Ratio (nil) (Corp. Tax 52%)	Friday May 23 Index No.	Thurs. May 22 Index No.	Wed. May 21 Index No.	Tuesday May 20 Index No.	Year ago (approx.) Index No.	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (181)	127.30	+0.3	18.66	6.31	7.89	7.88	126.94	126.44	127.65	129.41	105.65	129.41 (20/5)	51.78 (6/1)	206.37 (4/5/72)	50.71 (13/12/74)
2	Building Materials (30)	111.10	+0.9	19.88	7.02	7.68	7.67	110.08	109.75	110.92	112.26	105.21	117.40 (22/4)	45.11 (6/1)	233.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	240.48	−0.2	17.06	3.94	8.64	8.64	240.91	242.35	246.74	250.64	171.99	251.61 (25/4)	74.74 (6/1)	389.35 (19/5/72)	71.48 (12/12/74)
4	Electricals (16)	222.43	−0.5	16.84	5.29	8.57	8.56	223.54	221.12	223.36	229.60	199.13	229.60 (20/5)	98.49 (2/1)	350.04 (4/5/72)	84.71 (25/6/62)
5	Engineering (Heavy) (13)	156.46	−0.3	22.09	6.90	6.82	6.82	156.97	155.85	155.01	156.35	109.43	159.79 (22/4)	64.39 (2/1)	202.57 (2/6/73)	64.39 (2/1/75)
6	Engineering (General) (65)	112.35	−0.5	19.45	7.10	7.50	7.50	111.77	111.43	112.18	112.99	86.85	112.99 (20/5)	45.43 (6/1)	168.59 (4/5/72)	45.43 (6/1/75)
7	Machine and Other Tools (11)	48.97	+1.0	15.22	9.66	11.36	11.20	48.51	48.34	48.67	48.98	36.49	48.98 (20/5)	20.11 (2/1)	136.70 (4/7/66)	19.96 (13/12/74)
8	Miscellaneous (23)	117.69	+0.8	18.79	6.62	7.61	7.59	116.71	116.50	116.89	118.38	97.01	118.38 (20/5)	49.65 (6/1)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (59)	87.64	−0.1	20.79	7.04	7.10	7.08	87.72	86.45	87.32	88.34	94.71	90.59 (22/4)	38.59 (6/1)	227.78 (21/4/72)	38.59 (6/1/75)
10	Electronics, Radio TV etc. (15)	99.09	+0.4	20.56	6.18	7.04	7.03	98.68	96.41	97.82	98.73	115.03	105.62 (10/3)	44.28 (6/1)	257.41 (19/5/72)	42.85 (13/12/74)
11	Household Goods (15)	140.12	+0.2	30.50	7.58	4.76	4.76	139.88	138.55	139.15	139.48	152.99	145.50 (25/4)	64.55 (6/1)	263.22 (4/5/72)	63.92 (17/12/74)
12	Motors and Distributors (29)	47.97	−0.9	16.80	9.50	9.27	9.21	48.42	48.83	48.50	49.43	45.87	50.85 (22/4)	19.91 (6/1)	170.89 (16/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (164)	144.14	+0.4	14.18	5.70	9.95	9.94	143.59	142.85	143.22	145.61	111.65	145.61 (20/5)	61.98 (6/1)	226.08 (16/5/72)	61.41 (13/12/74)
14	Breweries (16)	162.46	+0.6	12.43	6.08	11.93	11.93	161.44	160.52	159.65	161.90	126.98	162.46 (27/5)	75.58 (6/1)	281.87 (22/11/72)	69.47 (13/12/74)
15	Wines and Spirits (8)	168.41	+0.3	13.44	5.57	10.96	10.96	167.88	167.89	167.01	171.28	150.24	171.28 (20/5)	80.42 (6/1)	257.40 (15/7/72)	78.88 (13/12/74)
16	Entertainment, Catering (16)	158.44	+0.4	13.58	7.09	10.84	10.84	157.74	156.20	155.88	157.52	125.18	158.44 (27/5)	55.26 (6/1)	329.99 (12/12/72)	64.85 (9/1/75)
17	Food Manufacturing (22)	153.46	−0.4	13.55	5.08	10.04	9.99	154.14	153.84	154.96	156.15	109.57	156.15 (20/5)	62.03 (2/1)	211.65 (14/11/74)	59.67 (11/12/74)
18	Food Retailing (16)	146.64	+0.8	10.54	4.25	13.95	13.95	145.52	144.01	144.21	146.42	102.54	146.64 (27/5)	57.15 (2/1)	255.08 (15/8/72)	54.25 (11/12/74)
19	Newspapers, Publishing (15)	147.95	+0.4	17.58	6.48	8.56	8.56	147.36	143.13	143.01	144.12	151.93	147.95 (27/5)	55.08 (6/1)	260.29 (18/1/72)	55.08 (6/1/75)
20	Packaging and Paper (13)	104.19	−1.2	21.26	6.33	6.83	6.83	105.42	105.70	106.41	107.12	76.70	107.12 (20/5)	43.46 (6/1)	135.69 (26/4/72)	43.46 (6/1/75)
21	Stores (30)	129.24	+0.6	10.65	5.02	14.03	14.03	128.51	128.44	129.54	132.94	91.34	132.94 (20/5)	52.63 (6/1)	204.69 (16/8/72)	52.63 (6/1/75)
22	Textiles (19)	145.07	+0.3	28.15	6.93	4.12	4.11	144.59	142.86	141.55	141.71	127.61	145.07 (27/5)	62.91 (6/1)	256.78 (17/8/66)	62.66 (11/12/74)
23	Tobacco (3)	192.14	+1.0	17.23	6.93	8.63	8.63	190.15	188.62	188.37	192.77	168.36	199.16 (10/5)	109.92 (6/1)	339.15 (2/8/72)	94.34 (13/6/62)
24	Toys and Games (6)	42.25	—	26.32	7.30	5.19	5.19	43.26	42.86	42.84	42.32	41.50	43.61 (25/4)	20.92 (6/1)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (92)															
25	Chemicals (25)	181.03	+0.5	19.67	4.95	7.25	7.25	180.45	178.26	177.77	177.65	138.73	181.03 (27/5)	73.14 (6/1)	201.92 (31/1/69)	71.20 (11/12/74)
26	Office Equipment (10)	97.72	−1.6	14.62	5.43	9.21	9.21	99.27	97.92	99.43	101.03	114.71	104.78 (17/4)	45.34 (2/1)	246.06 (1/8/72)	45.34 (2/1/75)
27	Shipping (11)	382.08	+0.1	23.85	6.08	5.11	4.98	387.82	385.54	386.72	396.71	349.40	401.84 (10/5)	194.38 (6/1)	517.00 (6/12/72)	90.80 (22/6/62)
28	Miscellaneous (46)	151.26	+0.1	17.60	6.40	8.20	8.19	151.08	149.57	149.88	152.06	126.85	152.06 (20/5)	60.39 (6/1)	258.83 (2/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	140.12	+0.3	16.73	5.85	8.52	8.51	139.76	138.79	139.35	141.24	114.89	141.24 (20/5)	59.19 (6/1)	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	282.24	+0.9	26.08	5.38	4.11	3.84	279.88	274.59	275.45	277.92	222.87	282.24 (27/5)	105.85 (2/1)	351.66 (28/5/69)	87.23 (29/6/62)
31	500 SHARE INDEX	152.11	+0.3	18.08	5.78	7.38	7.23	151.59	150.27	150.85	152.81	124.08	152.81 (20/5)	63.49 (6/1)	227.95 (16/8/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	143.07	−0.1	—	5.05	—	—	143.20	142.46	145.25	148.45	114.80	148.45 (20/5)	56.50 (6/1)	241.41 (11/4/72)	56.88 (13/12/74)
33	Banks (6)	158.99	+1.3	23.29	4.96	6.39	6.39	156.79	152.78	154.62	158.66	130.55	163.68 (25/4)	62.56 (2/1)	288.32 (20/7/72)	62.44 (12/12/74)
34	Discount Houses (9)	152.34	−0.3	—	7.88	—	—	152.86	146.93	145.98	142.75	135.11	169.27 (7/3)	84.13 (6/1)	293.15 (2/5/72)	81.40 (10/12/74)
35	Hire Purchase (5)	102.22	−2.3	24.42	8.96	5.44	4.99	99.89	100.08	102.66	106.01	203.68	134.39 (10/3)	42.81 (6/1)	435.72 (4/5/72)	38.85 (11/12/74)
36	Insurance (Life) (9)	120.64	−0.1	—	5.56	—	—	120.76	120.11	121.08	124.41	94.69	127.97 (25/4)	44.88 (2/1)	194.46 (15/3/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	118.47	−0.4	—	5.56	—	—	118.96	118.74	121.87	123.90	77.17	123.90 (20/5)	44.47 (2/1)	155.76 (21/4/72)	43.96 (13/12/74)
38	Insurance (Brokers) (8)	201.57	−0.9	9.87	4.21	14.99	14.99	203.36	205.45	208.92	211.50	156.61	211.50 (20/5)	68.96 (7/1)	262.57 (12/12/73)	65.86 (16/12/74)
39	Merchant Banks (19)	86.58	−0.4	—	7.21	—	—	86.94	87.25	87.57	88.84	103.30	94.97 (7/3)	31.21 (7/1)	278.57 (1/5/72)	31.21 (7/1/75)
40	Property (32)	210.58	−1.6	3.90	2.97	37.61	36.64	213.80	216.67	223.91	229.71	159.12	241.22 (22/4)	88.19 (7/1)	357.40 (9/11/73)	56.01 (20/4/65)
41	Miscellaneous (5)	72.02	+0.7	15.81	9.02	9.16	9.08	71.50	71.32	73.72	74.24	97.66	75.78 (23/4)	34.78 (10/1)	303.13 (18/6/72)	33.29 (17/12/74)
42	Investment Trusts (50)	171.85	—	2.92	4.03	34.30	34.30	171.86	172.61	173.36	174.52	127.47	174.52 (20/5)	73.43 (6/1)	245.79 (25/4/72)	71.63 (13/12/74)
43	ALL-SHARE INDEX (650)	150.30	−0.2	—	5.52	—	—	149.95	148.87	149.91	152.07	121.47	152.07 (20/5)	61.16 (6/1)	228.13 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (10)	522.42	−0.6	9.93	6.24	11.93	11.41	525.43	520.02	521.13	519.15	414.55	525.43 (23/5)	281.66 (2/1)	555.37 (23/7/73)	84.68 (25/8/65)
45	Teas (10)	90.28	—	21.33	8.86	5.96	5.51	90.28	89.97	89.89	89.57	105.63	90.28 (23/5)	76.76 (10/1)	121.47 (1/6/72)	59.72 (17/10/74)
46	Coppers (3)	467.74	+1.4	41.98	16.15	2.38	2.38	461.49	456.93	445.06	442.25	394.47	467.74 (27/5)	374.38 (22/1)	567.78 (13/7/73)	94.08 (29/4/62)
47	Mining Finance (11)	141.04	+1.1	8.64	3.74	12.61	12.58	139.67	139.16	136.12	135.93	99.61	141.04 (27/5)	80.58 (22/1)	178.90 (28/4/69)	66.31 (30/9/74)
48	Tins (8)	109.27	−1.0	9.33	7.59	13.80	11.85	110.39	110.96	110.77	109.66	93.57	110.96 (22/5)	56.91 (8/1)	125.43 (12/1/75)	54.85 (27/6/71)
49	Overseas Traders (13)	244.33	+0.3	14.23	3.56	8.94	8.91	243.55	246.32	246.32	252.23	—	252.23 (20/5)	97.37 (6/1)	252.23 (20/5/75)	97.37 (6/1/75)

	FIXED INTEREST	Tues., May 27 Index No.	Tues., May 27 Yield %	Friday May 23	Thurs. May 22	Wed. May 21	Tuesday May 20	Monday May 19	Friday May 16	Thurs. May 15	Year ago (approx.)	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	15.14	15.11	15.10	15.10	15.09	15.20	15.18	15.18	13.98	—	—	—	—
2	20-yr. Govt. Stocks (6)	46.95	‡13.78	46.89	46.91	47.03	47.05	47.07	47.13	46.98	51.59	53.09 (20/3)	38.27 (3/1)	118.42 (11/9/63)	38.27 (3/1/75)
3	20-yr. Red. Deb. & Loans (15)	45.64	‡16.11	45.64	45.60	45.60	45.55	45.64	45.26	45.23	48.64	50.68 (21/3)	37.01 (3/1)	113.43 (23/10/63)	37.01 (3/1/75)
4	Investment Trusts Prefs. (15)	42.85	16.15	43.13	43.09	42.90	42.90	42.77	41.75	41.75	45.34	46.57 (25/3)	35.35 (3/1)	114.41 (13/9/63)	34.45 (4/12/74)
5	Coml. and Indl. Prefs. (20)	59.25	15.89	59.35	59.07	58.45	58.05	57.88	58.01	57.95	59.75	66.98 (20/3)	48.35 (3/1)	114.95 (7/10/63)	47.67 (6/1/75)

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Miscellaneous Financial	31/12/70	128.06
Engineering (Heavy)	31/12/71	153.84	Food Manufacturing	29/12/67	114.13
Engineering (General)	31/12/71	153.24	Food Retailing	29/12/67	114.13
Wines and Spirits	16/1/70	144.76	Insurance Brokers	29/12/67	96.67
Toys and Games	16/1/70	135.72	Mining Finance	29/12/67	100.00
Office Equipment	16/1/70	162.74	All Other	10/4/62	100.00
Industrial Group	31/12/70	128.20			

‡ Redemption yield. FT-Actuaries indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A new list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By inland post 16p. Commonwealth 18p. Foreign 22p.

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
May 28	Jun. 9	Aug. 20	Sept. 2
Jun. 10	Jun. 23	Sept. 4	Sept. 16
Jun. 24	July 7	Sept. 18	Sept. 30

"Calls" were done in Babcock and Wilcox, SPR Investments, House of Fraser and Charterhall Finance. No "puts" were reported, while "doubles" were arranged in EMI, BP, Town and City, Tate and Lyle, ICI, Guest Keen and Land Securities.

Industrials		Grand Met.	9	Slater Walker	15	Mines	
A. P. Cement	20	G.U.S. 'A'	20	Spillers	7	Anglo Amer.	50
Assoc Leisure	3	Guardian	20	Tesco	6	Broken Hill Pty	75
Barclays Bank	35	G.K.N.	18	Thorn 'A'	25	Cast	9
Beecham	28	Hawker Sidd.	30	Tube Invest.	20	Charter Cons.	22
Boots Drug	24	House of Fraser	10	Unilever	40	Chart'rh'll Fin	8
Bowaters	20	Hudson Wllms.	5	Utd. Drapery	12	Cons Gold	25
B.A.T.	35	I.C.I.	24	Vickers	16	De Beers Def.	25
British Leyland	1½	"Imps"	7	Woolworths	5	F. S. Geduld	350
British Oxygen	6	I.C.L.	7			Great Boulder	12
Burton 'A'	9	Inveresk	10	Property		Hampton Areas	15
Cadburys	6	Legal & General	17	Cap. Counties	7	Hampton Prop.	4
Courtaulds	14	Lloyds Bank	30	E.P.	11	Kloof	140
Debenhams	11	"Lofs"	7	Intl. Europe	7	Lonrho	19
Distillers	15	"Mams"	9	Land Securities	22	Loraine	50
Dunlop	6	Marks & Sp'ncer	25	Peachey	7	Metals Explor.	8
Eagle Star	16	Midland Bank	32	Town & City	6	Poseidon	45
E.M.I.	14	Nat'l West Bank	30	Town & Comm	7	Pres. Steyn	275
First National	5	P & O Dfd.	16			Rio T. Zinc	20
G.R.A. Trust	7	Plessey	10	Oils		Welkom	55
Gen Accident	15	R.H.M.	7	Brit. Petroleum	45	West Areas	75
Gen. Electric	14	Rank Org. 'A'	25	Burmah Oil	6	Western M'ng.	1
Glaxo	40	Reed Int'l	28	Shell	30	Zambia Copp	10
				Ultramar	14		

REGIONAL MARKETS

Following the merger last year of U.K. stock exchanges, a selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

Albany Inv (20p)	12	......	Gardiner Sons	11	......	Sheff. Refrshmt	150	......
Ash Spinning	37	......	Gardner (L.)	51	......	Shiloh Spinn.	23	......
Bertam	15	......	Graig Sh'p (£1)	460	......	Sindall (Wm.)	46	......
Brady (G.) "A"	63	......	Hallam Sl. (10p)	9	......	Vincent (H.)	86	......
Br'wtr Est. (50p)	140	......	Hugsons Brew	87	......	IRISH		
Clover Croft	35	......	Holt Joseph 25p	180	......	Alliance Gas (Bt)	56	......
Craig & Rose £1	315	......	IOM Steam £1	110	......	Carroll (P. J.)	115	......
Dundee Ice £1	295	......	Kleen-E-Ze	30	......	Clondalkin	67	−5
Dyson (R. A.)	30	......	Lowell's Ship £1	160	......	Concrete Prods.	70	......
Ellis & McHdy	57	......	Nthn Goldsm'th	70	......	Goodbody (£1)	58	......
Evans Frnk (10p)	31	......	PMA	55	......	Heiton (Hldgs)	53	......
Everad	12	......	Pearce C.H.	60	......	Irish Distillers	71	......
Fife Forge	48	......	Peel Mills	18	......	Irish Wire Bd.	40	......
Finlay Pkg (5p)	16	......	Richards (10p)	10	......	Jacob	53xd	......
Pr'st & Reed (50p)	91xd	......	Robb Cal. (5p)	60	−4	Sunbeam	13	......
			[illegible] Con 12½p	[illegible]	......	Unidare	70	......

NEW "HIGHS" AND "LOWS" FOR 1975

Too numerous to name individually the 144 new 1975 "highs" recorded among securities listed in the Share Information Service yesterday are given below in their subsections. There were 5 new "lows."

NEW HIGHS (144)

BRITISH FUNDS (1)
AMERICANS (8)
CANADIANS (3)
BANKS (4)
BEERS (1)
BUILDINGS (4)
CHEMICALS (2)
DRAPERY & STORES (4)
ELECTRICALS (5)
ENGINEERING (17)
FOODS (8)
INDUSTRIALS (26)
INSURANCE (2)
MOTORS (1)
NEWSPAPERS (2)
PAPER & PRINTING (3)
PROPERTY (1)
SOUTH AFRICANS (2)
TEXTILES (3)
TOBACCOS (1)
TRUSTS (27)
OILS (1)
MINES (18)

NEW LOWS (5)

INDUSTRIALS (2)
Cowen de Groot — Dover Eng.
INSURANCES (1)
Braid Group
PAPERS (1)
Delyn
TRUSTS (1)
Northborough Inv.

INSURANCE BASE RATES

† Atlantic Assurance...... 11½%
Cannon Assurance ...... 9 %

† Address shown under Insurance and Property Bond table.

INSURANCE, PROPERTY, BONDS

Abbey Life Assurance Co. Ltd.
1-3, St. Paul's Churchyard, E.C.4. 248 9111

	Offer	Bid	+/-	Yield %
Abbey Eq. May 27	28.7	30.5	+0.2	—
do. Acc Unit May 27	22.4	23.6	+0.5	—
do. Pr. May 6	102.7	109.1	......	—
dd. Acc Unit May 6	97.2	103.2	......	—
do Pen. Unit May 6	103.6	109.9	......	—
Selective In May 27	59.7	63.5	+0.3	—

[illegible]

Cornhill Insurance Co. Ltd.
32, Cornhill, E.C.3. 01-626 5410

Capital May 15	105.6		......	—
GS Special May 15	40.0		......	—
Mn Gth Bd May 20	119.5	126.0	......	—

Crescent Life Ass. Co. Ltd.
Braywick Hse. Mdnhd. Berks. Mdnhd 34655

Cres Pfo'd Inv. Fd.	59.9	64.1	−0.9	—

Crusader Insurance Co. Ltd.

[illegible]

Life Assur. Co. of Pennsylvania
39-42, New Bond St., W1Y 0RQ. 01-493 8395

LACOP Units	778	817	......	—

Lloyd's Life Assurance Ltd.
12, Leadenhall St., EC3M 7LS. 01-623 6621

Mlt. Gth Fd May 5	1.36409		......	—
Opt 4 Eq Fd May 23	95.1	100.2	......	—
Opt 4 Prop. May 10	102.6	108.1	......	—
Opt 4 Hi Yd My 23	108.1	113.8	......	—

[illegible]

Save & Prosper Group
4, Gt. St. Helen's, London, E.C.3. 588 1717

Balanced Inv. Fd.	93.0	97.9	−0.1	—
**Property Fund	105.8	111.4	......	—
*Deposit Fund	103.6	109.1	+0.2	—
Equity Pension Fd	110.6	116.5	+0.6	—
***Pr'p Pens Fund	117.3	123.5	......	—
Comp'y Pens Fund	125.6	132.6	......	—

*Prices on May 8. **May 16. ***May 6
‡ Weekly valuations. † Price monthly.

[illegible]

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975 high	1975 low
ICI	£1	16	284	—	286	118
BP	£1	10	480	+ 8	480	190
Sun Alliance 'New'	Nil/pd.	10	115*	− 5	130*	113*
EMI	50p	9	197	—	200	62
GEC	25p	9	124	− 3	131	51
BATS	25p	8	330	+ 5	337	164
Charter Cons.	25p	8	185	− 9	205	87
Lonrho	25p	8	155	− 4	159	68
RTZ	25p	8	196	− 2	211	80
Shell Transport	25p	8	333	—	341	118
Beecham	25p	7	301	− 2	306	116
Boots	25p	7	263	− 2	276	91
Commercial Union	25p	7	182	− 1	194	72
European Ferries	25p	7	68	− ½	68½	25
MEPC	25p	7	157	− 4	231	64

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).
* Premium.

Multi-purpose ships 'are still needed'

BY JAMES McDONALD, SHIPPING CORRESPONDENT

DESPITE the spread of containerisation and the demand for specialised cellular containerships, there will still be a demand for the conventional 15,000-ton multi-purpose cargo vessel, such as the Austin and Pickersgill SD.14 or the Japanese "Freedom" design.

This view is put forward by H.P. Drewry (Shipping Consultants) in one of their latest reviews.

"A continuing role is foreseen for multi-purpose ships in the 15,000 deadweight tons class," the report declares. In the cargo liner trades the multi-purpose cargo ship, suitably equipped with craneage and cargo booms, is generally being required for cargo movements to and from those areas of the world not served by container transport, "or which lack either the equipment or the cargo-handling experience to permit the employment of larger, more specialised ship types."

Drewry adds a warning, however, that more interest is being shown by ship operators in larger sizes than 15,000 tons. "The prospective owner of an SD.14, or "Freedom," or similar multi-purpose ship will have to satisfy himself that a cargo capacity of 15,000 tons is not too small for to-day's market."

"Modern, Multi-Purpose Cargo Ships and their Market Role"—H. P. Drewry (Shipping Consultant), 1-4 Argyle Street, London, W 1, £20.

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	34	3	16
Corpns., Dom. and Foreign Bonds	12	—	59
Industrials	353	244	1,152
Financial and Prop.	135	123	359
Oils	7	7	18
Plantations	2	8	39
Mines	62	19	79
Recent Issues	11	12	34
Totals	616	416	1,747

COMPAGNIE FINANCIERE DE PARIS ET DES PAYS-BAS

NOTICE TO SHAREHOLDERS

Notice is hereby given that the Ordinary General Meeting of Compagnie Financiere de Paris et des Pays-Bas will be held on 2nd June, 1975 at 3.30 p.m. at Salle de L'Association Professionnelle des Banques, 18, Rue la Fayette, Paris 9.

Agenda

1. Report of the Board of Directors, Report of the Auditors.
2. Approval of the accounts for the Financial Year 1974, fixing of a dividend.
3. Appointment of a Censor.
4. Appointment of a Deputy Auditor.
5. Determination of the amount of remuneration of the Board of Directors.
6. Activities under Article 101 of the Law of 24th July, 1966.

All shareholders, irrespective of the number of shares held are entitled to attend the Meeting or to appoint as their proxy any shareholder attending the Meeting or his joint holder, subject to the following conditions:—

1. With regard to their holdings of Registered Shares, the said shares must be registered in the registers of the Company at least two clear days before the date of the Meeting.

2. With regard to their holdings of Bearer Shares, either these must be deposited two clear days before the date of the meeting at Banque de Paris et des Pays-Bas, 3 rue D'Antin, Paris 2, or at any of its branches and agencies in France and abroad, or at the counters of any of its banking offices abroad, where proxy forms and admission cards will be available, or, if their shares are already deposited with a bank or broker, such bank or broker must be instructed to block the said shares before the Meeting and to advise the company two clear days before the date of the Meeting.

THE BOARD OF DIRECTORS.

Holders of Bearer Shares in the United Kingdom may obtain forms of proxy at the offices of S. G. Warburg & Co. Ltd., Coupon Department, St. Albans House, Goldsmith Street, London, EC2P 2DL on deposit of their Bearer Shares not later than 2 p.m. 30th May, 1975.

28th May, 1975.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Easy pending Energy Message

BY OUR WALL STREET CORRESPONDENT

NEW YORK, May 27.

MODERATE LOSSES were recorded on Wall Street to-day, following general investor caution prior to President Ford's Energy Address this evening.

The Dow Jones Industrial Average fell 5.79 to 826.11, after giving up a small early gain. The NYSE All Common Index gave way 8 cents to $47.97, while advancing and declining issues were about in balance at 730 to 680 after alternating the lead throughout the session. Trading volume decreased 820,000 shares to 17.05m.

President Ford is expected to order another $1 a barrel tax increase on imported oil as part of his plan to encourage energy conservation.

Analysts attributed the early firmness largely to a carryover of buying interest from Friday, when the market gained strongly following First National City Bank's ½ point cut in its prime rate to 7 per cent.

However, as the Stock Market opened, First National Bank of Chicago announced that it was holding its rate at 7½ per cent.

Brokers also attributed selling to Dr. Burns, Federal Reserve chairman, warning against further Congressional stimulation of the economy—despite some forecasts of a painfully slow economic recovery.

Monsanto fell $2 to $64¼ on plans for a $250m. debt offering and earnings for April sharply lower than a year ago.

U.S. Steel dipped $1¼ to $56¾—its steel deliveries for the second quarter will be below the first quarter's 5.1m. tons.

Aluminium Company of America were lowered $1⅞ to $46⅛—it is reducing domestic smelting operations to 74 per cent. of capacity from 85 per cent.

Ryder System slid $½ to $3¾ on the omission of its second quarter dividends on Common and Preferred.

In Oils, Exxon picked up $1¼ to $83⅞.

General Dynamics added on $1 at $42. The Dutch Defence Minister said the Dutch, Norwegian and Danish Government would order General Dynamics' YF16 fighters if Belgium does.

Nation Aviation gained $1⅞ to $13⅜.

The American SE Market Value Index moved up 0.43 to 88.16, although declines outnumbered advances by 318 to 315.

Canada mixed

Canadian Stock Markets were mixed in quiet trading yesterday.

The Industrial Share Index rose 0.12 to 187.71, Utilities 0.15 to 131.74, Banks 0.38 to 263.78 and Papers 0.56 to 111.54. But Golds fell 7.06 to 418.92, Base Metals shed 0.18 to 73.78 and Western Oils eased 0.74 to 180.83.

Bell Canada, the most active issue, held unchanged at $44⅝ on *58,484 shares*—it priced a new $125m. Preferred issue to yield 9.12 per cent.

OTHER MARKETS

PARIS—Markets rose, extending Monday's hesitant gains on the start of *oil drilling in the* Mer d'Iroise.

Banks, Portfolios, Foods, Constructions, Stores, Oils and Electricals all advanced, while only Motors and Transports were mixed to lower.

Foreign stocks were generally steady, with the exception of Germans which slipped back, and Golds and Coppers which were irregular to slightly lower.

AMSTERDAM—The market fell virtually across the board on lack of new factors.

Limited losses in *Dutch Internationals* were led by **Philips, Akzo and Royal Dutch.**

Local issues were led down by *Banks and Insurances.* Isolated firm spots were **Fokker, Bergoss, CSM** and **Naarden.**

State Loans edged lower.

BRUSSELS—Quietly steady in the absence of a lead from Wall Street.

Falls outnumbered rises in Foreign stocks, although American issues held steady. French and English stocks generally rose, while Dutch issues declined. Golds were irregular.

GERMANY—Again generally lower. Trading volume remained limited because of strong buyer reluctance.

Banks declined. **Commerzbank** dropped DM2.50 to DM196.50, **Dresdner Bank** *DM2.50* to DM225.10 and **Deutsche Bank** DM5 to DM316.

In weaker Electricals, AEG lost *DM1.60 to DM77.10* and *Siemens* DM4 to DM249. Chemicals were lower across the board. BASF dipped DM3.10 to DM132 and Bayer DM3.70 to DM114.10. Metals declined.

In lower Motors, VW dropped DM2.80 to DM97, Daimler DM4 to DM295 and BMW DM9 to DM210. Machine Makers generally lost *ground, with declines extending* to DM6. Steels also declined, losing as much as DM5.

Minings were generally lower, Utilities showed losses of between DM2.20 and DM5.50. Stores retreated across the board, and Breweries closed on a weaker note.

Public Bonds were up to DM0.20 lower on Institutional month-end position closing. Mark Foreign loans were mixed.

SWITZERLAND — Prices retreated over a broad front on Settlement day.

Juvena Bearer and Participation Certificate led some sharp *losses on heavy liquidation.* Otherwise losses in major Banks and Financials were limited. **Kreditanstalt** were a firmer exception.

Insurances declined, led by **Winterthur** Bearer, although **Rueckversicherung** Bearer gained slightly.

Industrial leaders eased led by *Nestle.*

State Bonds were steady.

In the Foreign sector, dollar stocks were little changed, Dutch Internationals were steady, while *Germans edged lower.*

COPENHAGEN—Sharply lower in very active trading.

OSLO—Banks, Industrials and Shippings were quiet, while *insurances were steadier.*

VIENNA—Stocks were neglected in a light turnover.

MILAN—Higher in more active trading.

Fiat, Montedison, Pirelli and **Olivetti, Generale Immobiliare** and **Assicurazioni Generali** each gained ground.

Bonds were about unchanged *in quiet trading.*

TOKYO—Slightly higher as interest revived in low and medium-priced shares. Trading was thin at 140m. shares in the absence of *fresh incentives.*

Pharmaceuticals, Electricals and Constructions gained ground, while selected Machineries, Motors and Paper-Pulps also advanced.

Collieries attracted demand in anticipation of a possible domestic coal price rise.

Among Blue Chips, Sony added Y40, at Y3,170 and TDK *Electronics rose Y26.*

Shipbuilders were depressed by reports that **Kawasaki Heavy Industries** planned to cut its workforce.

Nippon Miniature Bearing advanced sharply on expectations of a 20 per cent. free issue to shareholders this September.

HONG KONG—Prices closed higher in slightly increased trading.

Hong Kong Bank, up 20 cents to $HK15.40, **Hong Kong Land, 20** cents to $HK15.40, **Hong Kong Land,** 20 cents to $HK7.00, **Wheelock "A",** 5 cents to $HK3.70, **Jardine,** $HK1.10 to $HK29.60 and **Hong Kong Electric,** 5 cents *to* $HK3.50.

Johannesburg — Gold shares were marginally lower in a *low turnover. "Smaller" and* "medium" priced shares were around 10 to 20 cents down, while "heavyweights" were 50 cents lower.

Financial minings were unchanged to fractionally lower.

In Coppers, **Palamin** gained 20 cents to R970.

Industrials were steady.

AUSTRALIA — After an uncertain start prices turned around and closed firm.

BHP, which reached a low of $A6.64 in morning trading, rallied to $A6.90, up a net 10 cents. CSR put on 5 cents to $A4.55.

Financiers, Brewers, Transports, *Retailers and Properties* were all higher.

The Mining sector was also mostly higher.

Indices

NEW YORK

DOW JONES AVERAGES

	Home Bonds	Transport	Indus	Util.	Trading volume 000's
May 27	67.25	166.39	826.11	77.49	17.050
23	67.29	167.96	831.90	77.17	17.870
22	67.30	166.37	818.91	77.23	17.610
21	67.34	163.42	818.88	77.17	18.840
20	67.26	163.22	830.49	78.03	18.510
19	67.36	169.69	847.69	72.16	17.870
16	67.35	166.30	837.61	76.16	16.650
15	67.64	170.39	842.30	78.86	21.690
14	67.61	173.47	858.73	78.30	29.050
13	67.65	172.26	850.12	78.54	24.460
12	67.61	171.38	847.47	78.46	22.410
9	67.64	171.91	850.13	77.90	28.440
8	67.59	170.72	840.50	76.57	22.980
7	67.58	170.85	836.44	76.47	22.250
6	67.63	171.50	834.72	75.25	25.410
5	67.64	174.12	855.60	76.19	22.510
1975 High	69.92 (4.4)	174.12 (2/5)	858.73 (14/5)	81.96 (31/1)	—
Low	66.16 (5/1)	146.47 (2/1)	632.04 (2/1)	72.02 (2/1)	—
All-time High	—	279.88 [illegible]	1051.70 (11/1/73)	186.62 (20/4/69)	—
All-time Low	—	16.25 [illegible]	41.22 [illegible]	10.58 (28/4/42)	—

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

May 27	May 20	May 24, 1974
4.65	4.61	4.49

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1975 High	1975 Low	M'y 27	M'y 23	M'y 22	May 21	M'y 20
48.85 (14/5)	37.06 (2/1)	47.97	48.05	47.46	47.27	47.80

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,834	730	680	424

	M'y 27	M'y 23	M'y 22	May 21	M'y 20
New Highs	128	94	51	32	101
Lows	4	8	6	4	5

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

1975 High	1975 Low	M'y 27	M'y 23	M'y 22	May 21	M'y 20
87.83 (14/5)	62.20 (2/1)	88.16	87.73	86.85	86.78	87.37
Volume (000's)		2,060	2,080	2,090	2,010	2,246

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
May 27	101.82	90.34
23	102.12	90.58
22	100.72	89.39
21	100.56	89.96
20	101.31	90.07
19	102.06	90.43
16	101.93	90.43
1975 High	104.04 (14/5)	92.27 (14/5)
1975 Low	77.71 (8/1)	70.74 (8/1)

* 425 Industrials. † 500 Industrials, 40 Utilities, 20 Rails.

STOCK AND BOND YIELDS

	May 22 1975	May 14 1975	May 8 1974
Ind. Ord. yield pc	3.76	3.62	5.39
Ind. Ord. p/e ratio	10.50	10.73	11.65
Long-term Govt. Bds. per cent.	5.80	6.00	6.73

TUESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Teleprompter	207,100	7¾	+⅜
Lockheed Aircraft	203,900	12¾	+1⅛
Gen. Tel. Elec.	155,200	22⅛	+½
Libby McNeil	151,700	7⅝	+3
Texaco	151,500	24⅞	+⅛
Honeywell	135,800	37¾	+1½
Charter	124,300	27⅛	−1¼
RCA	123,400	19⅛	—
Gulf Oil	115,600	19	—
Gulf Resources	113,500	24⅞	+⅛

TORONTO

INDUSTRIAL INDEX

May 27	May 26	1975 High	1975 Low
187.71	187.59	188.68 (14/5)	159.41 (7/1)

MONTREAL

INDUSTRIAL INDEX

May 27	May 26	1975 High	1975 Low
196.76	196.78	197.95 (14/5)	159.95 (2/1)

COMBINED INDEX

May 27	May 26	1975 High	1975 Low
190.76	190.70	191.02 (14/5)	155.02 (2/1)

JOHANNESBURG

	May 27	May 26	1974-75 High	1974-75 Low
Industrials	206.9	208.4	210.3 (17/2)	183.0 (20/1)
Golds	323.9	328.5	379.1 (2/1)	285.2 (15/4)

1958=100. Source: Rand Daily Mail. * 1974.

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	May 23	May 22	May 16
On Dividends	7.58	7.58	7.65
On Earnings	14.44	14.44	14.60

SYDNEY ALL ORD. INDEX

May 27	May 26	High 1975	Low 1975
375.95	372.41	375.95	283.83 (3/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

May 27	May 26	High 1975	Low 1975
328.36	327.29	332.96 (22/5)	268.24 (10/1)

HONG KONG INDEX ⊕

May 27	May 26	High 1975	Low 1975
329.48	323.64	356.25 (21/5)	160.44 (9/1)

SINGAPORE INDEX §

May 23	May 22	High 1975	Low 1975
244.60	247.92	268.69 (11/5)	153.26 (2/1)

EUROPE

	May 27	Previous	1975 High	1975 Low
Belg'm (a)	110.74	110.36	111.81 (15/5)	89.01 (2/1)
Denm'k (b)	88.58	90.03	90.58 (22/5)	75.06 (15/1)
France (c)	67.6	66.5	72.5 (25/4)	51.70 (8/1)
Germ'y (e)	652.2	664.50	786.1 (16/4)	575.5 (2/1)
Holland (f)	100.5	101.7	107.6 (6/5)	85.8 (2/1)
Italy (g)	88.03	95.62	108.28 (21/2)	82.98 (8/1)
Spain (h)	104.26	104.72	110.86 (22/4)	91.25 (5/1)
Sweden (k)	365.70	368.52	376.65 (15/5)	310.5 (9/1)
Switz'rl'd (m)	279.5	276.2	296.1 (6/5)	236.5 (2/1)

Indices and base dates (all base values 100 except—(a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December, 1953 (f) Amsterdam Industrial 1970. (g) Milan General 2/1/73. (h) Madrid S.E. 31/12/74 (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/58. (u) Unavailable. ⊕ Hang Seng Bank 31/7/64. § Straits Times 1966. (c) Closed. † Adjusted.

Sterling steady

Sterling showed little net change against *major currencies* in the foreign exchange market yesterday, with its trade-weighted average depreciation against ten units since the Washington Currency Agreement of December, 1971 (as calculated by the Bank of England) closing at the previous (Friday evening's) 24.6 per cent., and *standing* at the same level in early dealings and at noon. In terms of the U.S. dollar, the pound made a slight net gain, rising 5 points, to a closing level of $2.3260-2.3270 — opening at $2.3280-2.3290, and falling in the morning to $2.3250-2.3255, but touching $2.3300-2.3305 in the afternoon. Conditions generally were quiet. The release of the U.S. overseas trade figures had an unsettling effect, with the dollar showing an immediate gain but *a subsequent loss.* The *dollar* was shade stronger in terms of major currencies as a whole, on the basis of its trade-weighted average depreciation against 14 currencies since the Washington Agreement (as measured on noon rates in New York by Morgan Guaranty), which narrowed to 7.13 per cent., from Friday's 7.17 per cent.

The relative *steadiness* of the pound and the dollar on an average basis, however, masked some fair fluctuations against individual currencies. The German mark was relatively weak, with its weighted appreciation since the Washington Agreement, on the Morgan Guaranty figures, narrowing to 15.50 per cent., from *15.55 on* Friday, while the French franc was relatively strong, with its (similar) weighted appreciation widening to 7.51 per cent.

Gold fell $¾ an ounce on balance in London to $171¼-172¼, in moderate business.

The Krugerrand ended in places *in London* at a premium of 20⅞ per cent over its gold content in domestic business, against 21¼ per cent on Friday, and at 3⅝ per cent in international, against 3⅛.

EXCHANGE CROSS-RATES

May. 27	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankf't	—	2.333-234	58.70-80	6.469-472	5.435-446	97.00-20	94.28-30
N. York	42.92-94	—	25.16-20	2.868-861	4.3251-61	41.66-60	40.38-58
Paris	170.326-725	3.9727-9827	—	11.362-39½	9.24¾-27½	165.10-50	160.275-6¾
Brussels	14.97-15.03	34.96-35.01	8.77-82	—	81.51-61	14.62-67	14.10-16
London	5.42-43	2.326-327	9.23-24	81.30-50	—	5.58-60	6.75¼-76⅛
Am'erdam	103.98-03	2.4057-83	60.475-525	6.6825-75	5.6925-75	—	97.145-195
Zurich	106.07-18	2.4745-65	62.26-37	7.05¾-07¼	5.758-768	102.91-96	—

U.S.$ in Montreal, U.S.$1=102.68-70 Canadian cents
Canadian $ in New York, $C1=97.34-36 U.S. cents. U.S. $ in Milan 623.60
Sterling in Milan 1451.60.

EURO-CURRENCY INTEREST RATES*

May 27 1975	Sterling	U.S. Dollar	Canadian Dollar	Dutch guilder	W.German mark	Swiss franc
†Short term	7¾-8¼	4¾-5¼	4⅛-5⅛	⅞-1⅛	5⅝-5¾	3¾-4¼
7 days notice	8¾-9⅝	4⅞-5⅝	6-7	⅞-1⅛	5⅝-5¾	6¾-7¼
Month	9⅝-10⅛	5-⅛	6⅛-6⅝	2¾-3	4⅞-5⅛	5¼-5⅛
Three months	10-10¾	5¾-6¼	6¾-7	3¾-4	4⅞-5⅛	4-4¼
Six months	11⅛-11⅞	6¾-7¼	7⅛-7½	4⅞-5⅛	6-6⅛	4⅞-5⅛
One Year	12⅛-12⅞	7¾-8¼	8⅛-8⅝	5⅜-5⅝	5⅞-6	6-6⅛

Euro-French deposit rates: two days' notice 7-7½ per cent.; seven days' notice 7-7½ per cent.; one-month 7-7½ per cent.; three months 7½-7⅞ per cent.; six months 8¼-8¾ per cent.; one year 9-9½ per cent.

Longer-term Eurodollar deposits: two years 8⅞-8⅞ per cent.; three years 8⅞-9¼ per cent.; four years 9¼-9⅝ per cent.; five years 9⅝-9⅞ per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one month 5¼-5½ per cent.; three months 6-5½ per cent.; six months 7-6⅞ per cent.; one year 7 15/16-7⅞ per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars and two-days' notice for guilders and Swiss francs.

GOLD MARKET

	May 27 1975	May 26 1975
Gold bullion (a fine ounce) Close	$171¼-172¼	$172½-173½
Opening	$174-175	$171½-172½
Morning fix'g	$172.75 (£74.253)	$172.50 (£74.243)
Afternoon fix'g	$172.00 (£73.794)	$173.40 (£74.507)
Gold coins (domestically) Krugerrand	$206-208 (£88½-89½)	$209-211½ (£90-91)
New sov'r'gns	$68½-70½ (£29½-30½)	$69½-71¼ (£29¾-30¾)
Old sov'r'gns	$66.68 (£28¾-29¼)	$67½-68½ (£29-30)
Gold coins (Int'n'ly) Krugerrand	$177-179 (£76-77)	$177½-179½ (£76¼-77¼)
New sov'r'gns	$52½-53½ (£22½-23)	$52¾-53¾ (£22¾-23¼)
Old sov'r'gns	$52½-53½ (£22½-23)	$52¾-53¾ (£22¾-23¼)
$20 Eagles	$238-243	$240-245
$10 Eagles	$120-125	$125-130
$5 Eagles	$90-95	$95-100

FOREIGN EXCHANGES

May 27 1975	Bank Rates %	Market Rates Day's Spread	Market Rates Close
New York	6	2.3250-2.3305	2.3260-2.3270
Montreal	8¼	2.3870-2.3930	2.3900-2.3920
Amsterdam	6	5.58-5.61	5.58-5.60
†Brussels	7	81.10-81.50	81.30-81.50
Copenh'gen	8	12.58-12.81	12.59-12.60
Frankfurt	4½	5.41-5.45	5.42-5.43
Lisbon	6½	56.10-56.60	56.20-56.40
Madrid	†7	129.30-129.70	129.35-129.55
Milan	8	1,449-1,454	1,450-1,452
Oslo	5½	11.46-11.49	11.46½-11.47½
Paris	10	9.23-9.27	9.23-9.24
Stockholm	7	9.08¾-9.11¼	9.08¾-9.09¾
Tokyo	8½	672-682	676-678
Vienna	6	38.28-38.78	38.35-38.55
Zurich	4½	5.75-5.78	5.75½-5.76½

† Basic discount. ‡ Rates given are for convertible francs; closing financial franc 53.70-53.90.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1 104½% (105½%)

NEW YORK

CANADA

GERMANY ♦

May 27	Price Dm.	+ or −	Div. %	Yld. %
A.E.G.	77.1	−1.6	—	—
Allianz Versich.	465		17	1.8
B.M.W.	210	−9	14	3.3
BASF	132	−3.1	17	6.4
Bayer	114.1	−3.7	17	6.9
Bayer Hypo.	310	−2	18	2.8
Bayer Vereinsbk.	313	−1	18	2.7
Commerzbank	196.5	−2.5	17	4.4
Conti. Gummi	70	−1	—	—
Daimler	295	−4	15	2.6
Degussa	222	−4	18	4.4

AMSTERDAM

May 27	Price Fls.	+ or −	Div. %	Yld. %
Ahold (Fl.20)	103	−2	[illegible]	3.5
Akzo (Fl.20)	40.5	−0.3	20	1.0
Algem Bnk (Fl100)	325	−5.5	[illegible]	6.2
AMAS NV (Fl.10)	13.5	+0.5	10	7.7
AMEV (Fl.20)	63.5	−2	30	4.7
Amro Bank (Fl.20)	76.5	−2.5	[illegible]	5.2
Van Berkels (Fl.50)	125	+1	[illegible]	6.0
Bijenkorf (Fl.20)	63	−0.8	41	[illegible]
Boka Westm. Fl.10	108	−1.8	62	4.7
Buhrm-Tetterode	70.7	−0.8	25	[illegible]

AUSTRALIA

May 27	Aust. $	+ or −
Acrow Australia	†0.68	
Adelaide Brighton Cem't 50c	†0.84	+0.07
Allied Mnfg. Trdg. Indus $1	†1.52	+0.02
Ampol Exploration	†0.50	
Ampol Petroleum	†0.42	[illegible]
Assoc. Minerals	†2.80	[illegible]
Assoc. Pulp Paper $1	†0.76	−0.02
Aust. Cons. Industries	†1.40	
Aust. Foundation Invest.	†0.79	+0.04
A.N.I.	†0.80	

VIENNA

JOHANNESBURG

TOKYO ¶

PARIS

BRUSSELS

STOCKHOLM

MILAN

SWITZERLAND ●

OSLO

SPAIN ♥

COPENHAGEN

STOCK EXCHANGE REPORT

Leading industrials fail to hold early small gains

Index down 1.7 at 353.3, after 358.3—Golds steady

Account Dealing Dates

*First Declara- Dealings	tions	Last Dealings	Account Day
May 5	May 15	May 16	May 28
May 19	May 29	May 30	Jun. 10
Jun. 2	Jun. 12	Jun. 13	Jun. 24

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Equity markets started the second-leg of the Account rather quietly, with leading industrials drifting lower after an early small improvement. The FT 30-share index, which touched the best of the day at 10 a.m. with a gain of 3.3, ended a net 1.7 lower at 353.3. Occasional investment demand was seen in the opening stages of trading, but this soon dried up and thereafter business was down to a trickle. Uncertainty about the current round of wage negotiations and the approaching EEC Referendum were the main restraining factors.

It was a similar story in second-line equities, but closing movements were no worse than mixed. Rises were in a 10-7 majority over falls in FT-quoted Industrials. Week-end Press mention, however, brought a ready response, while bid situations, rumoured and actual, continued to create interest. Official markings of 6,750 compared with 6,849 last Friday.

Gold shares also passed a quiet session after last week's strong advance, and small improvements at the close were reflected in a 2.5 gain to 435.7 in the Gold Mines index. Bullion shed 75 cents to $172.25 an ounce.

Funds progress

Continuation of the trend to lower interest rates in the U.S. found further reflection in British Funds with the emphasis again on the shorter maturities. Business was of no great size and late in the afternoon the firmness appeared to be faltering, but a final rally left most quotations near the day's best and the shorts with rises extending to ½. At the longer end it was typical of the recent trading pattern, small gains appearing soon after the opening but little else happening in subsequent business. The mediums were also quiet, although occasionally ⅛ higher.

A rally in the investment currency premium failed to hold and the closing rate was another ¾ down at 104¾ per cent., after 108¼ per cent.; business was patchy but included the occasional fair-sized institutional order. Yesterday's S.E. conversion factor was 0.5427 (0.5402).

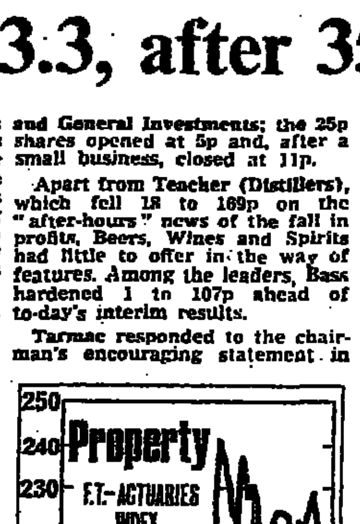
Brown Shipley please

Banks were fairly idle with a firm undertone although closing prices were several pence below the best. Gains of 5 were seen in Midland, 265p, after 268p, and National Westminster, 240p. Bank of Scotland held a rise of 10 at 265p. Foreign Banks had Hong Kong and Shanghai 9 higher at 242p, and Standard and Chartered 10 up at 495p. Merchant Banks were featured by Brown Shipley, 16 up at 178p in response to good results. Alderman Securities, however, declined 4 to 12p on Friday's late news of the resignation of two directors and the proposed sale of their holdings in the company. Discounts were irregular, with Alexanders losing 5 to 207p, but Allen Harvey and Ross gaining 10 to 295p.

Insurances displayed minor mixed changes after a quiet session. Sun Alliance new nil-paid shares were relatively active but shed 5 to 115p premium, while the old eased 2 to 423p. Among Brokers, C. E. Heath hardened 2 to 230p on the increased earnings. Minet were quoted ex scrip issue at 147p, down 6½p. After a 15-month suspension, dealings were resumed yesterday in Edinburgh and General Investments; the 25p shares opened at 5p and, after a small business, closed at 11p.

Apart from Teacher (Distillers), which fell 18 to 169p on the "after-hours" news of the fall in profits, Beers, Wines and Spirits had little to offer in the way of features. Among the leaders, Bass hardened 1 to 107p ahead of to-day's interim results.

Tarmac responded to the chairman's encouraging statement in



the full report by rising 6 to 142p. Elsewhere in Buildings, Higgs and Hill moved up 3 to 37p with the help of a Press mention. French Kier "A," however, shed a penny more to 8½p, with sentiment still upset by the company's financial position. Other easier spots took in L. Fairclough, 183p, and Newarthill, 70p, both 3 cheaper.

ICI closed unchanged at 284p, after 287p. Fisons improved early to 380p on Press comment before closing 5 up on balance at 377p. Coalite and Chemical, still reflecting the company's stake in Siebens Oil and Gas (U.K.), hardened ½ further to a 1975 "high" of 26½p.

United Scientific provided a modest feature in Electricals, rising 7½ to 46p on small buying in a thin market. Racal Electronics picked up 4 more at 280p for a two-day rise of 13. Among the leaders, EMI, still helped by the new X-ray scanner, improved afresh to a 1975 peak of 200p before closing at the overnight level of 197p. General Electric eased 3 to 124p on small selling.

House of Fraser closed a penny easier at 89p following first-quarter figures which were in line with general expectations. Similar falls occurred in Marks and Spencer, 234p, and Debenhams, 82p. F. W. Woolworth, helped by Press comment, contrasted with a gain of 1 to 50½p. Mothercare put on 2p to 180p on the company's decision to expand into school children's clothing. Other isolated firm spots took in Greenfield Milletts, 1½ firmer at 24½p, and Wearwell, 2 better at a 1975 "high" of 53p.

Mixed fortunes in Engineerings were depicted by firmness in many secondary issues but occasional easiness among the leaders. GKN edged higher initially to 254p then reacted to close a net 4 off at 248p, while Tube Investments were finally unaltered at 292p, after 296p. Newspaper mention brought a marked response in Tex Abrasives, up 7 at 35p, but only limited action in RHP, 65½p, and G. Cohen, 68p, both around 1½ dearer. For a similar reason, B. Elliott rose 2½ to 57p. Elsewhere, Neepsend gained 3 to 42p. Glynwed picked up 4 to a "high" for the year of 91p and Wolseley-Hughes were similarly better at 90p. Jevons Cooper improved 3 to 20p, but Ransomes Sims lost 5 to 140p.

Foods closed little changed following an uneventful session. After improving to 52p following Press comment, Unigate finished 3 better on balance at 51p. British Sugar were raised 10 to a 1975 peak of 350p, but selling left Brooke Bond 2½ cheaper at 43½p. Tate and Lyle slipped 4 to 256p and British Vending 1½ to 9½p. In Supermarkets, Gateway Securities 'A' hardened a penny to 32p in response to a Press mention and Tesco attracted a fair turnover but closed without alteration at 49p. Ahead of to-day's interim statement, Reo Stakis hardened ½p to 13½p.

Reed Int. react

Further consideration of the reduced fourth quarter earnings was reflected in a loss of 12 to 264p in Reed International. Other leading miscellaneous Industrial issues moved narrowly and irregularly, most giving up a penny or two in the late trading. Unilever closed 3 up at 396p, while Glaxo ended 2 higher on balance at 415p, after 417p. Losses of 2, however, were sustained by Beecham, 301p, and Boots, 263p. Among secondary issues, Dawson and Barfos, which rose 10 last Friday on news of the approaches which could lead to a bid being made, improved afresh by 5 to 41p. Hunting Associated gained 4 to 58p in response to the directors' optimistic remarks about the outcome of the current year's trading, but S. Leboff (Fobel) lost 4 to 35p despite the forecast of record profits for 1975. Press comment directed buyers to Lonrho's 7½ per cent. Convertible; the 1983/88 stock gained 4 points to £118, and the 1984/89 rose a similar amount to £110. Portals advanced 5 to 159p on the chairman's encouraging statement at the annual meeting. Hawkins and Tipson were quoted ex "rights" at 76p, up 4, with the new nil-paid at 24½p premium. Marshall's Universal down 14 at 130p and Macarthys Pharmaceuticals, unchanged at 55p, were also ex "rights" with the new nil-paid at 34p premium and 17½p premium respectively.

Lucas Industries encountered some relatively heavy selling in the morning which was only partially absorbed and left the shares 4 down at 122p. Elsewhere in Motor and kindred issues, Rolls-Royce improved 2 to 61p, but Dunlop lost that amount to 47p. Garages also had contrasting movements in T. Cowie, up 4 at 19p on the back of a large buyer, and Glanfield Lawrence, 2 easier at 18p.

Transparent Paper fell 4 to 51p because the preliminary figures failed to satisfy the market but other changes in the sector were minimal. Newspapers were marginally better, News International gaining 3 to a peak for the year of 118p and Daily Mail "A" rising 5 to 195p.

Properties were unsettled by a Press report which revived recent rumours of pending poor interim results from MEPC, due next Wednesday. MEPC lost 4 to 157p, after 155p. Land Securities shed 3 to 202p, after 201p, and English slipped 2 to 87½p. In a narrow market, Hammerson "A" were lowered 20 to 430p and, on the interim loss passing of the dividend, Reliable gave up 2 to 37p.

BP bought

Hoping for good first-quarter figures tomorrow, buyers were picking up British Petroleum which gained 8 to 490p. Shell, on the other hand, began firmly but drifted back to close unchanged at 333p, after 337p, while Ultramar eased 4 to 196p despite improved profit margins in the first three months' trading. Small demand in a limited market put Anglo-Ecuadorian up 3 to 39p and, in the overseas section, Pan Ocean rose 45 to 925p. Southern Pacific Petroleum advanced 4 to 22p.

Capital shares attracted interest and closed with some reasonable gains. Dualvest, 142p, and Archimedes, 45p, were both around 7 higher, while Triplevest finished 4 better at 126p. Elsewhere, SPR Investments moved up 5 to 120p with the help of option business. Glasgow Stockholders hardened 7 to 130p, but small selling in an unwilling market left Northborough Investment 4 down at a 1975 "low" of 7p. Inchcape in Financials put on 9 at 414p, while Lamont Holdings moved up 4 to 31p and NMC Investments closed 2 harder at 29p, the latter after the chairman's annual review.

Courtaulds traded quietly awaiting tomorrow's results and closed unaltered at 130p, after 132p. Elsewhere in Textiles, Coats Patons (results also due tomorrow) hardened to 58p in response to press comment, but ended 1 lower on balance at 56½p. Tomkinsons Holdings moved up 8½ to 57½ on news of the sale of St. Mary's Carpets, a subsidiary.

Features in Mines

Taking a cue from the markets in Canada and the Cape, Gold shares opened firmly here, but interest waned following the lower bullion price of $172.75 at the morning fixing. Share prices closed with relatively small and irregular movements on balance which left the Gold Mines index 2.5 up at 435.7. Bullion was finally 75 cents off at $172.25.

Financials also made a rather mixed showing. Some edged up to new highs for the year, Minorco doing so with a gain of 13 to 265p. On the other hand Charter Consolidated, which is due to report its annual results soon, fell 9 to 185p. Profit-taking following the recent Irish offshore oil exploration hopes lowered Silvermines 8 to 70p.

De Beers wilted under fairly general offering to close 11 down at 301p. Platinums were a few pence dearer with Unions (175p) and Waterval (170p) moving up 3 to highs for the year.

In a more cheerful Australian market, Great Boulder were marked up 25 to 74p on news of the full take-over approach from Western Mining which were 3 up at 212p after a 1975 high of 214p. Loloma jumped 12 to 40p on consideration of the company's holding in Great Boulder. Of other gains, Utah Mining advanced 50 to 775p, Cudgen RZ put on 20 to 115p and Pancontinental were 20 up at 410.

Coppers were firm with Palabora gaining 20 to 950p on Cape buying. "Tanks" moved up 6 to 210p on the 1974 results: the company is a holder of Union Miniere (£34½) which is reported to have reached agreement in principle over a big U.S. zinc development with Gulf and Western's New Jersey Zinc. Elsewhere, Sabina gained 8 to 122p on Canadian influences while borehole hopes lifted Anglo United 5 to 107p.

FINANCIAL TIMES STOCK INDICES

—	May 27	May 23	May 22	May 21	May 20	May 19	A year ago
Government Secs.	57.66	57.58	57.60	57.62	57.62	57.57	58.49
Fixed Interest	57.72	57.67	57.62	57.41	57.24	57.14	58.01
Industrial Ordinary	353.3	355.0	349.7	351.6	355.9	353.8	284.8
Gold Mines	435.7	433.2	442.3	426.6	402.7	405.9	293.3
Ord. Div. Yld. %	5.87	5.85	5.96	5.93	5.84	5.86	6.95
Earnings Yld. % (full)(a)	17.79	17.71	17.96	17.86	17.19	17.21	17.91
P/E Ratio (net) (a) (b)	7.92	7.96	7.84	7.88	8.20	8.18	7.91
Dealings marked	6,750	6,849	7,561	9,034	8,818	6,981	†5,248
Equity turnover £m.	—	77.75	69.98	98.90	139.23	85.46	28.37
Equity bargains total	—	19,632	18,559	22,436	26,846	21,658	9,841

10 a.m. 356.3. 11 a.m. 357.0. Noon 355.6. 1 p.m. 355.9. 2 p.m. 355.8. 3 p.m. 353.3.

Latest Index 01-246 8026. Excluding regional exchanges.

(a) Based on 52 per cent. corporation tax. (b) Nil=7.87.

Basis 100. Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942. * Corrected.

HIGHS AND LOWS

—	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.54 (26/3)	49.18 (3/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	62.51 (21/3)	50.65 (3/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	356.9 (20/5)	146.0 (6/1)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/5)	280.2 (20/1)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

—	May 27	May 23
Daily—		
Gilt-Edged	127.9	118.6
Industrials	233.2	236.3
Speculative	96.2	97.8
Totals	163.6	155.9
5-day Av'r'ge		
Gilt-Edged	120.2	117.9
Industrials	288.6	295.8
Speculative	90.2	86.4
Totals	177.6	178.6

FT—ACTUARIES INDICES

—	May 27	May 23	May 22	May 21	May 20	May 19	A year ago
Industrial Group	140.12	139.76	138.79	139.35	141.24	137.18	114.89
500 Shares	152.11	151.59	150.27	150.85	152.81	148.74	124.08
Div. Yield pc.	5.78	5.80	5.85	5.83	5.75	5.92	6.56
P/E Ratio (net)	7.38	7.36	7.29	7.31	7.47	7.29	7.49
All Share	150.30	149.95	148.87	149.91	152.07	148.02	121.47
Consols yield pc.	15.14	15.11	15.10	15.53	15.09	15.20	13.98

Cassettes tell story of the clans

By Our Glasgow Correspondent

A HISTORY of the Scottish clans is being produced on tape by Visual Sound Projects, a new Scottish company formed by Mr. James Kemp, formerly head of BBC News in Scotland.

The Duke of Argyl, a director of the company, said yesterday that Mr. Ian Grimble, an authority on Scottish history, has written the series, with Sir Iain Moncreiffe, as editorial consultant.

The first 50 minute cassette, a general introduction, costs £3.33p plus VAT. It is available through normal trade outlets and specialist shops.

PARKLAND SCREEN FOR STEEL PLANT

A parkland with a 12-acre lake is planned to screen the British Steel Corporation's £1,000m. complex at Redcar, Teesside, according to a scheme unveiled yesterday.

AUTHORISED UNIT TRUSTS

(a) (g) Abacus Arbuthnot Ltd.

(a) (g) The Crescent Group

(a) (c) Lawson Securities Ltd.

(a) (z) Pearl Montagu T. Mgrs. Ltd.

(a) (g) Slater Walker Tst. Mangmt.

[INSURANCE, PROPERTY, BONDS PRICES PAGE 29]

OFFSHORE AND OVERSEAS FUNDS

Albany Management Co. Ltd.
P.O. Box 1549, Hamilton, Bermuda.
Albany Fd. Ltd... $5.27 5.66

Australian Selection Fund N.V.

Free World Fund Limited
Butterfield Building, Hamilton, Bermuda
NAV Apr. 30 ... US$152.62

G.T. Bermuda Ltd.

Murray Johnstone (Inv. Adviser)

Negit S.A.

Negit Ltd.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1975 High	Low	Stock	£	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
98⅞	90½	Savings 3pc '65-75‡‡	98⅞	......	3.04	9.37
99⅛	94⅞	Exch 6½pc 1976‡‡	97⅞	......	6.65	9.54
97¼	92⅞	Treasury 6½pc 1976‡‡	96⅞	......	6.71	9.26
99	97	Victory 4pc 1976‡‡	99	+½	4.08	—
102	96⅞	Treasury 10½pc 1976‡‡	101¼xd	−⅛	10.37	9.62
95	88⅞	Treasury 6½pc 1977‡‡	94½	......	6.61	9.63
91¼	86¼	Electric 3pc '74-77	91	......	3.29	8.47
103⅞	96⅞	Treasury 11½pc '77‡‡	102⅞	......	11.22	10.24
88⅞	84	Treasury 3pc '77‡‡	86⅞xd	+⅛	3.45	9.04
88⅝	84½	Transport 4pc '72-77	87⅞xd	+⅛	4.55	9.44
96⅞	90½	Treasury 9pc 1978‡‡	95½	−⅛	9.42	10.87
96⅞	93⅞	Treasury 9pc '78 'A'‡‡	95½	−⅛	9.42	10.89
100⅞	96⅝	98⅞	98⅞	+⅛	10.65	11.03
87½	79	Exchequer 5pc '76-78‡‡	85¾	+⅛	5.83	10.15
103	94⅞	Treasury 11½pc '79‡‡	101¼	+⅛	11.36	11.05
79⅞	71⅞	Treasury 3pc '79‡‡	77¼	+¼	3.88	9.55
81	73⅞	Electric 4¼pc '74-79	79⅜	+⅛	5.35	10.25
100⅞	96	Treasury 10½pc '79‡‡	98⅞	+⅛	10.68	10.98
79½	71	Electric 3½pc '76-79	77⅝xd	+¼	4.51	9.80
95	84	Treasury 9pc 1980‡‡	92⅞	+⅛	9.69	10.93
		Five to Fifteen Years				
79	68¼	Treasury 3½pc '77-80	74⅞xd	......	4.66	9.89
84½	71	Funding 5¼pc '78-80‡‡	79¼xd	......	6.60	10.59
75½	66½	Treasury 3½pc '79-81	73	......	4.86	10.04
91⅛	72⅝	Do 8½pc '80-82‡‡	89	+½	9.89	11.59
104⅝	66⅝	Treasury 12pc 1983‡‡	100⅞	+½	12.18	12.27
78	58	Funding 5½pc '82-84‡‡	72⅞	......	7.76	10.75
85⅛	61⅞	Treasury 8¼pc '84-86‡‡	81¾	+½	10.82	12.05
73¼	51½	Funding 6½pc '85-87‡‡	65⅞	+¼	9.79	11.87
76¼	53	Treasury 7¾pc '85-88‡‡	71½	+¼	11.25	12.75
46⅛	32⅞	Transport 3pc '78-88	40⅞xd	+⅛	7.36	12.15
55¼	39¼	Treasury 5pc '86-89	50⅛	+⅛	10.09	12.73
		Over Fifteen Years				
75½	53¼	Treasury 8¼pc '87-90‡‡	66⅝xd	+⅛	12.31	13.40
55⅞	41⅞	Funding 5¾pc '87-91‡‡	51	+⅛	11.46	13.39
97½	89½	Treasury 12½pc '93‡‡	90¼	+⅛	14.26	14.43
54½	40½	Funding 6pc 1993‡‡	48¾	+⅛	12.62	14.01
75¼	54½	Treasury 9pc '94‡‡	64¼	+⅛	13.96	14.50
34⅞	24¼	Gas 3pc '90-95	30⅛xd	+⅛	9.95	12.70
102	75	Treasury 12¼pc '95‡‡	83	+⅛	14.56	14.67
71⅛	54¾	Treasury 9pc '92-96‡‡	65⅛	+⅛	14.22	14.66
32¼	26½	Redp. 3pc '86-96	29⅞	+⅛	10.20	12.60
69⅝	53¼	Treasury 8¾pc 1997‡‡	63⅛	+⅛	14.34	14.72
59⅞	40¾	Treasury 6¾pc '95-98‡‡	49	+⅛	13.92	14.54
75⅛	54¼	Treasury 9½pc 1999‡‡	69	+⅛	14.49	14.70
31⅞	22	Funding 3½pc '99-04	28⅛	+⅛	13.04	13.82
61⅛	47	Treasury 8pc '02-06‡‡	56	+⅛	14.59	14.71
42⅞	33	Treasury 5½pc '08-12‡‡	39⅛	+⅛	14.50	14.60
59⅝	43⅛	Treasury 7¾pc '12-15‡‡	55⅛	+⅛	14.75	14.78
		Undated				
29¾	22⅞	Consols 4pc	27½	......	15.25	—
27⅞	20½	War Loan 3½pc‡‡	23⅝xd	......	14.79	—
27½	22⅞	Conv 3½pc '61 Aft.	24⅞	......	14.38	—
22	17½	Treasury 3pc '66 Aft.	20⅛	......	15.23	—
18¼	14¼	Consols 2½pc	16⅞	......	15.14	—
18⅝	14½	Treasury 2½pc	16¼	......	15.28	—

**INTERNATIONAL BANK

1975 High	Low	Stock	£	+ or −	Yield Int.	Red.
66¼	58	5pc Stock '77-82	65½	......	7.60	12.75
96¼	91½	5pc Stock 1976	96	......	8.33	11.71

**CORPORATION LOANS

1975 High	Low	Stock	£	+ or −	Yield Int.	Red.
86¼	80¼	Birm'ham 9¾pc '79-81	84½	+¼	11.34	13.77
91½	87	Bristol 6½pc '75-77	91¼	+¼	7.12	13.38
87½	82¼	Essex 5½pc '73-77	87	......	6.32	13.00
94⅞	90	G.L.C. 6¾pc 1976	94¾	+¼	7.16	11.98
90½	85	Do 7¼pc 1977	89¾	+¼	8.08	12.67
75¼	63	Herts. 5¼pc '78-80	70½xd	......	7.45	13.58
89½	83½	Liverpool 7pc '76-77	88¾	......	7.88	12.78
89½	71	Do. 9¾pc '80-84	85½xd	......	11.49	11.90
84½	77¼	Lon. Corp. 6½pc '75-78	83½	+¼	7.79	12.94
78½	66½	Do 9¼pc '84-85	77	+¼	12.24	13.73
85¼	76¾	L.C.C. 6pc '75-78	84½	+¼	7.10	12.95
72½	59½	Do 5½pc '77-81	67½	......	8.28	13.59
64	48	Do 5½pc '82-84	59½	......	9.57	13.83
58½	40¼	Do 5½pc '85-87	50xd	......	10.95	14.28
60½	42	Do 6½pc '88-90	54½	......	12.99	14.78

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

S.E. List Premium 64½% (based on $2.3255 per £)

CANADIANS

S.E. List Premium 64½% (based on $2.2870 per £)
Conversion factor 0.5427 (0.5402)

††BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Cont.

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

TINS

1975 High	Low	Stock	Price	+ or –	Div Net	Cvr	Yld Gr's
165	140	Killinghall	165	......	48	—	11.2
192	106	London Tin 20p	175	–15	35	ϕ	6.2
192	93	Malay Dredging	192	......	g43.9	1.6	8.8
49	27	‡Pahang	47ø	......	†Qb12½	1.5	6.9
65	44	Pengkalen 10p	60	......	70	1.0	18.0
95	75	Petaling SM1	92	......	—	—	—
23	8	Saint Piran	17	+2	‡5.3	1.3	‡
125	68	South Kinta 10p	120	......	†82.5	0.9	10.6
150	73	Sthn. Malayan	148	......	g43.9	1.4	11.4
83	47	Sungei Besi 20p	83	......	30	ϕ	11.7
43	33	Sungei Way SM1	42	......	ZQ10	—	4.2
84	48	Tanjong 15p	70	......	29	ϕ	9.6
75	60	Tongkah Hb SM1	60	......	‡Q30	1.3	‡
93	42	Tronoh	93	......	16.1	ϕ	6.6

COPPER

1975 High	Low	Stock	Price	+ or –	Div Net	Cvr	Yld Gr's
86	56	Botswana RST R2	80	+5	—	—	—
390	196	Messina R0.50	360	+5	‡Q60c	2.9	‡

MISCELLANEOUS

1975 High	Low	Stock	Price	+ or –	Div Net	Cvr	Yld Gr's
8	3	Burma Mine 17½p	8ø	......	m0.5	—	1.7
56	17	Charterhall 5p	55½	–½	—	—	—
115	75	Colby Mines $1	75ø	......	—	—	—
730	360	Cons Murch 10c	720	......	Q130c	2.2	11.6
57½	29½	Lauraxia	41½	......	—	—	—
19	15	NRD $1	16	......	—	—	—
375	200	Northgate C$1	330	......	Q65c	1.0	8.5
211	80	R.T.Z.	196	–2	19.9	4.4	3.9
135	47½	Sabina Inds C$1	122	+8	—	—	—
70	51	Stanford Mines £	62	......	—	—	—
£12½	875	Tara Expln. $1	£11¼	–¼	—	—	—
75	38	Yukon Cons C$1	67	......	—	—	—

NOTES

Unless otherwise indicated, prices are in pence, denominations are 25p and dividends are in net percentage terms. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to corporation tax of 52 per cent. and ACT of 35 per cent. P/Es are calculated on the basis of net distribution: bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ♦ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- ø Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ▼ Excluding a final dividend declaration.
- ♦ Regional price.
- B No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment.
A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. M Figures based on prospectus or other official estimates for 1973-74. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: ⅹd ex dividend; ⅹc ex scrip issue; ⅹr ex rights; ⅹa ex all; ⅹd ex capital distribution.

"Recent Issues" and "Rights" Page 19

FINANCIAL TIMES

Wednesday May 28 1975

Pay claim vote keeps ITV shut down

BY LORELIES OLSLAGER, LABOUR STAFF

SHOP STEWARDS representing some 3.500 ITV technicians yesterday voted to uphold the controversial pay claim which has blacked out most independent television screens for five successive days.

The result of the vote, by the television branch of the Association of Cinematograph, Television and Allied Technicians, is a blow to any hopes of an early resumption of broadcasting.

The companies have said that the men will remain locked out *the claim, for the payment of* until the union formally drops £231 a head allegedly owed since the days of Tory pay restraint.

The lock-out became effective on Monday, after most of the technicians staged a three-day strike in support of the claim. A *number of rank* and file members had rebelled against the strike decision, but yesterday's vote shows that the rebellion remains a minority movement.

Mr. Alan Sapper, the general secretary of ACTT, stressed after the meeting that the men were *willing to return to work while* pursuing their claim. The companies argue that the union will resort to a strategy of lightning *strikes if the men are* allowed to resume work with the claim still pending.

Mr. Sapper meets the Press outside his union's Soho Square headquarters.

Mr. Sapper said that he would approach the *Prime Minister* and Mr. Roy Jenkins, the Home Secretary, to see whether the *independent television companies were violating the Television Act* by withholding their service from the public.

The union was ready to talk *to the employers any time,* he added, provided they were willing to negotiate "realistically."

But attempts earlier yesterday by the Advisory, Conciliation and Arbitration Service to explore the prospects for negotiations ended in failure.

Mr. Sapper denied that *attempts had been made to* organise a motion of censure against him. In fact, there had been a vote of thanks for the union leadership.

Nevertheless, some 200 technicians at Yorkshire television voted yesterday to abandon the pay claim as far the they were *concerned.* Yorkshire *management* is not changing its lockout decision, however.

Rees: No deal with Provos over Ulster's future

BY OUR OWN CORRESPONDENT — BELFAST, May 27.

MR. MERLYN REES, Northern Ireland Secretary, denied to-day that any deal had been arranged between the Government and the Provisional IRA in the event of a breakdown of the Northern Ireland Convention discussions.

In a statement in Belfast he said that the essence of the Government's policy was to seek a lasting peace, and that a "genuine and sustained cessation of violence" would create a new situation making possible a reduction in Army numbers in Northern Ireland to peacetime levels, and their withdrawal to barracks. He also said that the rate of releases of detainees would be related to the level of violence.

Responsibility

He said that in discussions with representatives of Provisional Sinn Fein or other organisations his officials had been instructed to expound the Government's policy and look into incidents arising from the ceasefire. Mr. Rees emphasised that a heavy responsibility lay on the 78 members of the Convention to work together and consider a suitable form of settlement for the future of Northern Ireland.

In his statement Mr. Rees made no reference to the Protestant clergyman, the Rev. William Arlow, whose weekend comments in a radio interview have led to much discussion and suspicion about Britain's intentions on the North. Mr. Arlow said on the radio at the weekend he had been told from two reliable sources that the Government had given the Provisional IRA an unwritten assurance that if the Convention broke down "the troops" would be withdrawn *from Northern Ireland.* Despite Mr. Rees's strong denial of any such agreement today, Mr. Arlow said later that he had no reason to believe that the information given to him was incorrect.

Meanwhile, the constitutional Convention had its third meeting to-day when Mr. John Hume, deputy leader of the SDLP, asked Sir Robert Lowry, the chairman, to give his ruling on the legality of some proposed rules for the running of the Convention, pushed through last week by the Protestant majority on the Standing Orders Committee. Sir Robert said he would give his ruling to-morrow, but emphasised that the SDLP still had recourse to the courts.

Today's request by the SDLP ended weekend speculation that the party would bring an action in the courts to test the legality of the rules. Mr. Hume said yesterday that they had decided against this course, as it might take months and would seriously hinder the work of the Convention.

Rules debate

Sir Robert, former Lord Chief Justice of Northern Ireland, agreed to consider the points on which the two sides are at variance, but said that meanwhile discussion of the proposed rules *should go ahead today.*

At first the SDLP objected to this, but eventually agreed when the Rev. Ian Paisley assured them that no issue would be put to the vote today. The SDLP is objecting to a number of points in the proposed rules on the grounds that they would seriously alter the course of the Convention and diminish the powers of the chairman.

Weather

U.K. TO-DAY

DRY and bright in most places; some cloud in South.

London area, S.E., Cent. S.W., S. England, Channel Is.
Cloudy, sunny intervals, some showers; wind N.E. fresh. Max. 17C (63F).

E. Anglia, E. England
Cloudy, sunny intervals, mainly dry. Wind N.E., fresh. Max. 16C (61F). Coasts cool.

Midlands, S. Wales, Cent. N. England
Mainly dry. Wind N.E., moderate. Max. 17C (63F).

N. Wales, N.W. England, Lakes, I. of Man, S.W. Scotland, Glasgow, Argyll, N. Ireland
Dry, sunny. Wind N.E., moderate. Max. 17C (63F).

N.E. England, Borders, Edinburgh, Dundee, Aberdeen
Dry, cloudy, sunny inland. *Wind N.E., moderate.* Max. 11C (52F).

Cent. Highlands, Moray Firth, N.E. Scotland, Orkney and Shetland
Cloudy, sunny spells, showers later. Wind N.E., light. Max. 10C (52F).

Outlook: Mostly dry with sunny spells, some showers in E. and S. Cool in some E. districts.

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Alexandria	S	34	93	Madrid	F	17	63
Amstrdm.	S	18	64	Manchstr.	F	17	[illegible]
Athens	F	27	81	Melbourne	S	13	55
Bahrain	S	34	93	Mexico C.	S	19	67
Barcelona	C	16	61	Milan	F	20	68
Beirut	C	34	93	Montreal	C	16	61
Belfast	S	15	59	Moscow	C	7	45
Belgrade	C	20	68	Munich	C	13	55
Berlin	S	19	66	Newcastle	C	9	48
Birmghm.	F	16	61	New York	C	25	77
Bristol	F	17	63	Oslo	F	21	70
Brussels	S	15	59	Paris	C	15	59
Budapest	C	21	70	Perth	W	18	64
B. Aires	S	21	70	Prague	C	14	57
Cairo	S	39	102	Reykjavik	F	12	54
Cardiff	S	15	59	Rio de J'o	S	25	77
Cologne	C	18	64	Rome	S	21	70
Copnhagn	S	16	61	Singapore	C	31	88
Dublin	F	13	55	Stockholm	F	18	64
Edinbrgh	C	9	48	Strasbourg	C	12	54
Frankfurt	C	17	63	Sydney	S	17	63
Geneva	C	13	55	Tehran	S	25	77
Glasgow	S	12	54	Tel Aviv	S	30	86
Helsinki	F	12	54	Tokyo	C	21	70
H. Kong	S	27	81	Toronto	S	23	73
Jo'burg	S	22	72	Vienna	F	18	64
Lisbon	F	17	63	Warsaw	S	19	66
London	F	17	63	Zurich	C	13	55
Luxembrg.	R	11	52				

HOLIDAY RESORTS

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Ajaccio	C	20	68	Jersey	S	15	59
Algiers	S	23	73	Las Plms.	F	22	72
Biarritz	C	15	59	Locarno	S	18	64
Blackpool	S	17	63	Majorca	F	23	73
Bordeaux	C	18	64	Malaga	C	19	66
Boulogne	C	13	55	Malta	S	25	77
Casablnca.	C	19	66	Nairobi	S	21	70
Cape Tn.	C	17	63	Naples	F	21	70
Corfu	S	25	77	Nassau	R	27	81
Dubrovnik	C	22	72	Nice	F	18	64
Faro	F	19	66	Oporto	S	16	61
Florence	S	20	68	Rhodes	S	27	81
Funchal	C	19	66	Salzburg	C	16	61
Gibraltar	S	21	70	Tangier	F	19	66
Guernsey	S	14	57	Tenerife	C	16	61
Innsbruck	F	20	68	Tunis	S	26	79
Inverness	C	10	50	Valencia	C	19	66
Istanbul	S	29	84	Venice	S	22	72

S—Sunny. R—Rain. F—Fair. W—Windy.

U.S. bank takes bigger stake in Grindlays

BY MARGARET REID

AS A first step towards providin a necessary increase of up to £30m. in the capital of Grindlays Bank, First National City *Bank, of New York,* is as expected, increasing its stake in Grindlays from 40 to 49 per cent.

Citibank, still just in a minority position compared with the other shareholder, the quoted National and Grindlays Holdings—will subscribe for 2,366,471 new Grindlays shares. This issue, raising Grindlays' share capital by 17½ per cent., is to be at a price to be "established as fair" on the advice of at least two outside merchant banking advisers, including J. Henry Schroder Wagg, who have previously acted for Grindlays.

Announcing the arrangement yesterday, Lord Aldington, chairman of Grindlays, and of National and Grindlays Holdings, also said that the substantial increase in the bank's capital was likely to include a rights issue. This would be to the two shareholders, National and Grindlays Holdings and Citibank, in their new shareholding ratio of 51:49.

Lord Aldington . . . rights issue likely.

Further statement

He added that all these matters required the approval of the authorities in Britain and *the U.S. and that a further* statement would be issued after these approvals had been secured.

The capital raising moves follow the heavy provisions against property lending in the merchant banking subsidiary, *Brandts,* which have *hit* Grindlays' capital base. Since the news of this setback early last month, Grindlays has been *engaged in talks with Citibank* and Lloyds Bank, which has a 41.4 per cent. interest in National and Grindlays Holdings.

Grindlays has already indicated that it is considering enlarging its capital by between *£15m. and £30m. Latest indications* are that a sum towards the upper point of this range is required, probably between *£25m. and £30m.*

Although no price has yet been determined for the share issue to Citibank announced yesterday, will probably fall somewhere between £5.5m. and £9.2m. The former is the value which might be inferred from the market price of National and Grindlays, whose predominant asset is its holding in Grindlays Bank, and the latter is related to the approximate end-1974 asset value.

It appears that the planned next step in boosting Grindlays' capital—its rights issue to its two shareholders—will involve the slightly larger holder, National and Grindlays Holdings, in itself making a rights issue to its own shareholders, including Lloyds Bank. It is not yet known what underwriting arrangements may apply to this.

Grindays may well also raise capital through a loan stock issue.

Lloyds Bank said last night that it had been consulted about the issue arrangement announced yesterday and had *concurred in it.* Lloyds Bank shares closed 2p up at 237p while those of National and Grindlays were unchanged at 55p.

Italy cuts discount rate to 7 per cent

BY ANTHONY ROBINSON — ROME, May 27.

THE ITALIAN *monetary* authorities have decided to reduce the discount rate from 8 to 7 per cent. in a move aimed at securing a further relaxation of interest rates which, despite several reductions this year, are still the highest in Western Europe.

The decision, taken at to-day's meeting of the Government's Credit and Savings Committee, was accompanied by a reduction in the former three-point sliding scale addition to the base discount rate.

This is applicable to persistent borrowers from the central bank. The maximum rate now payable has been reduced from 12.5 to 10 per cent.

In practice, however, the higher rates have only really been applied in recent months as the banking system as a whole has accumulated considerable excess liquidity. This is principally due to the sharp fall in the level of economic activity *since the third quarter of 1974.*

Significantly, to-day's decision comes two weeks before important regional elections in which the state of the economy and particularly the high cost of credit is an important issue.

But it is also a decision taken in the light of the latest economic data collected by the Bank of Italy in recent weeks as part of the highly detailed preparatory work for the bank's annual report due to be presented on Saturday by Governor Guido Carli.

Inflation cut

The central bank believes that the economy has now flattened out at a low level after the sharp decline in output over the last months of 1974. Inflation has been reduced and the balance of payments has improved sharply.

The Government, furthermore, has introduced a series of *measures aimed at stimulating investment* and has also abolished the import deposit scheme which alone implies the injection of *some 200bn. lire monthly into* the economy from importers' blocked accounts at the central bank.

The, *main problem now is to stimulate investment and selectivity* increase demand so as to prevent the economy drifting *into the sort of prolonged stasis* which characterised the 1970–72 period.

The principal obstacle to such a reflationary policy is the persistently high level of bank interest rates.

The prime rate of Italian commercial banks is still 15 per cent. after touching 20 per cent. at the start of the year.

AID FOR JORDAN

BRITAIN will lend Jordan £3.46m. to construct a water supply system at Irbid in North Jordan under an agreement signed in Amman yesterday. Jordanian National Planning Council sources said that the total project cost was £4.5m. The Jordanian government will apparently supply the difference.

Drastic cuts for GLC home loans

BY MICHAEL CASSELL

THE GREATER London Council has been forced to announce the virtual suspension of its home loan programme, following government restrictions on local authority mortgage schemes.

The GLC decision, which is the inevitable result of the Government's decision to slash the amount of money available to local authorities for home loans by £100m. to £250m. this year, seems likely to be repeated throughout the country. In 1974, local councils lent £455m. on mortgage, providing 12 per cent. of all home loans.

Mr. Anthony Crosland, Secretary *for the Environment,* announced the cuts earlier this month and said the funds would be diverted to maintain existing *levels of improvement work and* to maintain the municipalisation programme—the buying of private sector homes by councils.

The Minister emphasised that building societies were being asked to step up lending to compensate for the reductions *in council mortgage finance,* although no decisions have yet been taken.

The GLC is about the seventh largest lender of mortgages in the U.K. Last year it advanced a record £95m. to 13,000 home buyers but the council's leader, Sir Reg Goodwin, said the GLC quota during this financial year was likely to be only £55m., of *which £44m. was already com*mitted or paid out.

Sir Reg said that, as a result, only mortgage applicants in "strictly priority categories" would possibly qualify for a loan after May 30. All offers already made will be honoured and all applications received before the end of this week will be considered.

Among the "priority" cases will be London residents who are homeless or living in overcrowded or unhealthy conditions: single-parent families where the parent is a woman, GLC tenants, some housing association tenants, people displaced by redevelopment or London residents moving to jobs in new or expanding towns.

Sir Reg commented: "This is *a terribly hard decision to have* to make but there is no alternative. We must make sure that the people who most need our help can get it, so we are restricting operations for a time to the most needy."

Irony

He added: "It is ironic that while the GLC, as a lender of last resort to prospective home buyers, is to be severely restricted in this important activity, the building societies are currently bursting at the seams with the very money we could use.

"I still hope that the Government will persuade building societies either to modify their lending conditions or make part of their surplus funds available to the GLC so that we may assist more people to buy their own homes."

The Conservative opposition leader on the GLC Finance Board, Mr. Alan Hardy, said the cuts would mean "at least 6,000" *potential first-time buyers would* not be able to buy their own home this year. "As the mortgage is self-financing, with no charge on the rates, it should have been one of the last items to have been axed."

Whether or not the building societies will step in to fill the breach remains uncertain. Department of the Environment *officials* have already had talks with the Building Societies Association on the situation and societies are likely to meet local *authority association leaders in* the near future.

As far as the amount of money involved is concerned, societies *should not have too much* trouble in finding the necessary funds, with £100m. accounting for less than one week's lending at *present rates. They do, however,* see problems in devising a suitable method of assistance.

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THE LEX COLUMN

Citibank writes a cheque

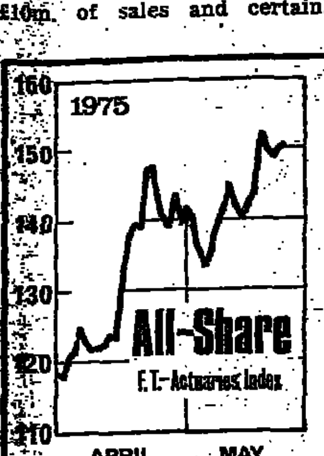
Grindlays Bank would like £30m. of new capital. That is the semi-official target, and yesterday's news of the proposed issue of 2.37m. new shares to Citibank (taking its stake from 40 to 49 per cent.) at a price "to be established as fair by outside advice" provides a starting point. From that, the size *of Grindlay's subsequent rights* issue can be estimated.

There are two obvious ways of valuing Grindlay's shares. The imputed value on the basis of the 55p share price of National and Grindlays Hold*ings, which has 60 per cent. of* the Bank as pretty well its sole asset, would be around £2.30. On the basis of end-1974 net worth including goodwill, however, the figure emerges at £3.90. The haggling will therefore cover a range of £5.5m.-£9.2m. for the immediate cash injection by Citibank; let's call it £7m.

The rights issue *will* thus need to produce £23m., of which Holdings' share will be 51 per cent. or just over £11.5m. That compares with an existing market capitalisation of £18.7m. Of course, Lloyds Bank *can be counted on to stump up* its proportionate contribution of just under £5m., whatever the terms. But it may be just as well for Holdings that the City is at present in a receptive mood for new issues, given that outside holders with shares currently worth £10.8m. could be asked for another £6.5m. unless loan stock can be floated as well. *Even in present conditions Hold*ings may need to rely on the argument that a move being backed by Citibank and Lloyds must be worth following for outsiders.

This is the nub of the question, for the *arithmetic indi*cates that Citibank will be taking on by far the greater part of the burden—around £18½m. in all. So whether Grindlays can get near its target, or will have to scale *down its ambitions, will depend* very much on the trade-off between its requirement for cash and its unwillingness to surrender the degree of management control that Citibank will no doubt request.

Index fell 1.7 to 353.3



House of Fraser

Something seems to have been stirring at the House of Fraser since the Boots bid fell through over a year ago. Sales in the 13 weeks to April 26 emerge 30 per cent. higher excluding VAT—right in line with the John Lewis Partnership's performance, and working from a larger base. The Budget *spending* spree could have been worth, say, an extra £10m. of sales and certainly explains the whole of the rise from £1.4m. to £1.8m. in the first quarter's pre-tax profits. But Fraser is still taking a confident line about the rest of the year.

Thus the group now reckons to be doing rather better than the Partnership's department stores, where sales growth fell all the way back to 7½ per cent. in the middle two weeks of May. One possible explanation is that Harrods, which accounts for about a fifth of group sales and had a thinnish time in 1974-1975, is apparently seeing the *tourists come back with money* to spend. Quite a lot rests on the July sales, which did very well last year. But the shares are not out on a limb at 89p, where the yield is 6 per cent., 2½ times covered.

See *also* Page 19

Stern Group

The mere fact that Cork Gully has been able to put together proposals for a formal three-year moratorium covering the Stern Group of Companies represents some kind of progress, for matters would not *have got this far if the major* creditors (or the Bank of England, come to that) had set their mand on any more radical solution. But the proposals are still a salutary reminder of the *sector's continuing* problems.

"If there can be said to have been any recovery in the property market it has been sluggish and uneven," writes Cork Gully, while the Group's valuers refer to estimated declines of 30 per cent. or more in values over the past 12 months, and argue that "no substantial market" exists at present for the group's non-residential properties, most of which are not particularly large.

In the circumstances, of course, the accountants were bound to paint as gloomy a *picture as possible.* But their task is formidable. The Department of the Environment's reported £17½m. offer for the *residential* side is considerably less than half the figure that Cork Gully has in mind. And although there is no way of building up any pro forma balance-sheet for the companies involved in the scheme, it looks *as though the secured creditors* amount to roughly £170m. to £180m., with another £8m. or so of trade creditors. Overall property assets—including those overseas—have been estimated at over £200m. in the past, but that sort of figure is meaningless at present.

Teacher

Excluding a surplus on stock disposals of £394,000, pre-tax profits at Teacher are 15 per cent. lower at £1.42m., incorporating a second half decline of 44 per cent. In line with Arthur Bell, pre-interest profits are 10 per cent. higher at £2.7m. but a combination of capital expenditure at Ardmore distillery and soaring working capital requirements has pushed interest charges up from a third to nearly one-half of trading profits. The company registered only a small volume gain in its main U.K. market last year, compared with an industry average of 10 per cent., and first-quarter demand is running 15 per cent. lower. Although this trend may ease the working capital burden of a 30 per cent. increase in duty, and although home prices have been raised by £1.60 per case in May, a 5 per cent. slip at the trading level on maintained interest charges, would *lower 1975 pre-tax profits* by over a quarter. At 169p, down 18p last night, the yield is 7.8 per cent. higher, for a change, than Bell's.

See also Page 19

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Wilson

this sort of propaganda."

As for the suggestion that there would be a loss of many white-collar jobs, some of them in the public sector, Mr. Heath suspected that this was a plan to use the Government's intention to cut Government expenditure for blaming the effect on the Common Market — "absolutely unscrupulous and unjustifiable."

Last night at Bolton Mr. Heath said that a "No" vote would give the Left the excuse they needed for a Socialist State. Frightened of free trade and competition, they yearned for a controlled economy. "And so, having engineered Britain's exodus out of Europe, Mr. Benn would then lead us into his version of the Promised Land—not flowing with milk and honey but swamped with ration books and State directives."

In Glasgow a warning that the steel industry's future would be "immeasurably worse" if Britain left the Community was made by Mr. Edward Short, leader of the Commons: "There would be massive redundancies not only in the steel industry but in other steel-using industries." This was because the industry could not afford to lose any of its exports to the Community, and could not afford to risk the decline in internal demand which withdrawal would involve.

Mr. Wilson has said in Dewsbury that next week he would make a speech dealing specifically with the steel industry.

But at least one Labour anti-Marketeer spoke up for Mr. Wedgwood Benn last night. Mr. Brian Sedgemoor (Luton West) supported Mr. Benn's calculations and said that arguments to the *contrary were a combination of* "bull and moonshine."

He added that he had verified the Minister's figures, checking *them with civil servants* and "two of the country's most distinguished economists."

Mr. Benn's only small error, he added, was in saying that the 500,000 jobs had already been lost.

"The real position is that the figures show that Britain is losing 500,000 jobs, so much of the unemployment is still to come."

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